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UNIVERSITY COLLEGE OXFORD

Annual Report and Financial Statements

Year ended 31 July 2023

Charity No. 1141259

UNIVERSITY COLLEGE
Annual Report and Financial Statements
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Governing Body, Officers and Advisers

Year ended 31 July 2023

MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the College's charity trustees under charity law. The members of the Governing Body who served in office as trustees during the year or subsequently are detailed below. During the year, the main operational activities of the Governing Body were carried out through six committees. The current membership of these committees at the date of approval of these accounts is shown for each Fellow against to this reference:

- (1) Academic Committee
- (2) Finance Committee
- (3) General Purposes Committee
- (4) Premises Committee
- (5) Development and Communications Committee
- (6) Equality, Diversity & Inclusion Committee

GOVERNING BODY	NOTES	(1)	(2)	(3)	(4)	(5)	(6)
The Master, Right Honourable Baroness Valerie Amos LG CH		•	•	•	•	•	•
Professor A W Roscoe			•				
Professor J F Wheater						•	
Professor T W Child			•				
Dr C J Pears		•					
Professor N Woods						•	
Dr S Collins	Sabbatical Leave MT22, Resigned 31 st November 2022						
Professor G M Henderson						•	
Professor P D Howell			•				
Professor C J Holmes	Sabbatical Leave TT23		•				
Professor J Hein		•					
Professor P Jezzard			•				
Professor W Allan				•			
Professor A Ker	Sabbatical Leave MT23						
Professor T Povey							
Revd Dr A Gregory				•	•		•
Professor D Logan							
Dr B Jackson						•	

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Governing Body, Officers and Advisers

Year ended 31 July 2023

GOVERNING BODY	NOTES	(1)	(2)	(3)	(4)	(5)	(6)
Professor N Yeung		•					•
Professor M Benedikt							
Professor S C Tsang	Sabbatical Leave MT22, HT23, TT23						
Professor T Sharp		•					
Professor M Smith	Sabbatical Leave MT22, HT23, TT23						
Professor N Halmi		•					
Professor A Johnston							
Professor S Mavroeidis		•					
Professor P Jones	Sabbatical Leave MT22	•					
Professor J Rowbottom	Sabbatical Leave MT23						
Professor N Nikolov							
Professor J Benesch							
Dr M Galpin				•			
Dr C Leaver							
Dr I Jacobs							
Mrs A Unsworth			•	•	•	•	•
Professor C Terquem							
Professor M Barnes	Sabbatical Leave MT22 & HT23						
Dr A Bell		•	•	•		•	•
Dr S Smith	Sabbatical Leave MT22						
Professor P Rebeschini		•					
Dr A I Grant			•		•	•	
Professor J E S Moshenska							•
Professor G Screaton							
Professor R Rickaby							
Professor Ruth Chang	Resigned* 9 th November 2022						
Professor A Smith				•			
Professor T Y Tan							
Dr R Chitnis							•
Dr M Schentuleit	Sabbatical Leave MT23		•				
Dr Richard Ashdowne		•					

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Governing Body, Officers and Advisers

Year ended 31 July 2023

GOVERNING BODY	NOTES	(1)	(2)	(3)	(4)	(5)	(6)
Dr J Bryson							
Dr M Filip							
Dr N Moneke					•		
Professor B Klin							
Dr N Talbot							
Ms R Baxter	Fixed term appointment 1 st September 2022 - 27 th September 2023						
Dr Aneurin Ellis-Evans	Appointed 1 st September 2022						
Dr N Benkhaled-Vince	Appointed 1 st October 2022						
Dr Beau Mount	Appointed 1 st September 2023						
Ms Felice Nassar	Appointed 18 th September 2023		•			•	

* Continues in post at the College but not on Governing Body during period of extended absence

The College is guided by three further permanent committees, namely: Audit Committee, Remuneration Committee and Investment Committee. As the membership of these committees includes external members as well as Fellows of the College, their complement is not listed here but on page 8. In addition, the College has constituted an Oversight Committee which operates with a temporary and limited standing delegation of authority from the Governing Body to make decisions for the Univ North construction project. Despite its membership being Fellows of the College, this Committee is temporary as it will only operate for the duration of the Univ North construction project and so it is also detailed on page 8.

COLLEGE SENIOR STAFF

The senior staff of the College to whom day to day management is delegated are as follows:

The Rt Hon Baroness Valerie Amos	Master
Dr Andrew Grant	Finance Bursar
Mrs Angela Unsworth	Domestic Bursar
Dr Andrew Bell	Senior Tutor
Ms Rebecca Baxter	Development Director (Interim) (w.e.f. 1/9/2022 to 27/9/2023)
Mrs Felice Nassar	Director of Development, Communications and Alumni Relations (w.e.f. 18/9/2023)

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Governing Body, Officers and Advisers

Year ended 31 July 2023

COLLEGE ADVISERS

Investment Managers

Credit Suisse (UK) Limited
5 Cabot Square
London, E14 4QR

Goldman Sachs International
River Court, 120 Fleet Street
London, EC4A 2BE

Allianz Global Investors GmbH
199 Bishopsgate
London, EC2M 3TY

Chartered Surveyors and Property Advisers

Cluttons LLP
Seacourt Tower, West Way
Oxford, OX2 0JJ

Carter Jonas LLP
Mayfield House, 256 Banbury Road
Oxford, OX2 7DE

Stephenson & Son
York Auction Centre, Murton
York, YO19 5GF

Bidwells
Seacourt Tower, West Way
Oxford, OX2 0JJ

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers

HSBC
65 Cornmarket Street
Oxford, OX1 3HY

Solicitors

Blake Morgan
Seacourt Tower, West Way
Oxford, OX2 0FB

Farrer & Co
Lincoln's Inn Fields
London, WC2A 3LH

College address

High Street,
Oxford OX1 4BH

E- Links



Web Home Page: www.univ.ox.ac.uk
X: @UnivOxford

Facebook: facebook.com/universitycollegeoxford
YouTube: <http://bit.ly/univyoutube>
Instagram: www.instagram.com/univcollegeoxford/

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Report of the Governing Body

Year ended 31 July 2023

REPORT OF THE GOVERNING BODY

The Members of the Governing Body present their Annual Report for the year ended 31 July 2023 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The College of the Great Hall of the University of Oxford, of ancient foundation and later incorporated by a Royal charter of 15 February 1573, is known as University College (“the College”). It is a chartered charitable corporation.

The College is registered with the Charity Commission (registered number 1141259).

The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 5.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its statutes which are made by order of His Majesty in Council in accordance with the Royal Charter of 1573, and the Universities of Oxford and Cambridge Act 1923. New statutes were approved by Her Majesty Queen Elizabeth II on 13 July 2016. The new regulations, which are necessary to enable the implementation of these statutes, came into effect with the new statutes on 1 February 2018, replacing and superseding in their entirety the existing ones. The new statutes and regulations formally state the College’s charitable object, identify the College’s charity trustees, establish appropriate procedures for managing conflicts of interest and introduce a Remuneration Committee to oversee employee benefits, including remuneration and other benefits provided to members of the Governing Body and Fellows of the College.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable by the Visitor, who is His Majesty the King. The Governing Body is self-appointing, with the decision to elect a new trustee being taken by a vote of two-thirds of those present and voting at a meeting of the Governing Body.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly with the Master as chair and is advised by the six main operational committees. The Governing Body has adopted the Charity Governance Code and is working to embed its principles and recommendations into our operational practices.

Recruitment and Training of Members of the Governing Body

New members of the Governing Body are recruited following interview and selection procedures established for the relevant academic, senior administrative, or other post. Induction into the workings of the College, including Governing Body policy and procedures, is undertaken. Members of Governing Body are assisted in understanding their role as trustees by training run presently by Pennington Manches Cooper LLP.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body, who are predominantly academic Fellows and are also teaching and research employees of the College and/or the University, receive no remuneration or benefits from their trusteeship of the College. Those trustees who are also employees of the College receive remuneration only for their work as employees of the College, which is set based on the advice of the College’s Remuneration Committee.

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Report of the Governing Body

Year ended 31 July 2023

The Remuneration Committee includes at least four independent members. Senior officers, where required, attend in an advisory capacity. The membership of the Remuneration Committee is appropriately adjusted when the Committee is considering the remuneration of its College members or their peers (Note 19). The College appointed an independent Chair (Helen Morton) to the Committee on 19 October 2022.

Where possible, remuneration is set in line with that awarded to the University's academic staff and based on nationally agreed pay scales. The remuneration of senior college staff is set by reference to nationally agreed pay scales and local conditions. In deciding appropriate pay levels, the College aims to strike a balance between paying enough to recruit and retain people with the skills the College needs, the responsibility to the Office for Students to spend public money appropriately and the College's donors' expectations that the money they entrust to the College will be used wisely to promote academic excellence. In setting the pay of key management, the Remuneration Committee takes account of the skills and experience required for each of the roles and the remuneration in the sectors from which suitable candidates for such posts would be found. They also take account of affordability for the College. Pay increases to key management and other employees are awarded subject to excellent performance.

Organisational management

The members of the Governing Body meet at least six times a year to consider strategic issues facing the College and to make decisions on the recommendations from the six main committees. The work of developing policies and monitoring their implementation is carried out by the main committees listed below:

- The Academic Committee meets twice a term to discuss all aspects of academic policy and practice, for example, academic appointments, student admissions, student performance, access and widening participation in the student body, scholarships, applications for sabbatical leave and special leave, teaching arrangements and quality assurance. The Committee also keeps abreast of academic developments in the central University and in other colleges through the Conference of Colleges and its sub-committees and through membership of college officers of relevant central University committees. It also receives reports and recommendations from its sub-committee, the Research Committee, from time to time.
- The Finance Committee discusses all aspects of the financial affairs of the College, including the best ways to achieve efficiency and effectiveness, and meets three times a term. The Finance Committee reviews the financial implications of recommendations made by the other standing committees of the College, as well as monitoring reports from the Remuneration Committee and the Investment Committee.
- The General Purposes Committee meets regularly to consider a range of operational issues, including sustainability, service provision and monitoring of the implementation of College policies that are not typically captured by other committees of the College.
- The Premises Committee considers and prioritises capital and maintenance projects for the College's functional premises to keep them in effective order and to enhance them according to need. The Committee also recommends projects to improve the College's energy efficiency.
- The Development Committee considers the College's fundraising initiatives and its ongoing links with Old Members and champions of the College.
- The Equality, Diversity and Inclusion Committee considers and recommends policies to deliver on the College's commitment to be pro-active in eliminating discrimination and creating a diverse, inclusive culture that promotes equality.

The frequency of these governance meetings of the Governing Body and committees is amended from time to time according to circumstances, with extraordinary meetings of Governing Body and relevant committee called when needed, to address urgent matters.

The day-to-day running of the College is delegated to the senior officers listed on page 4 above, supported by their staff in the Domestic Bursary; Estates Bursary including the Treasury and Works Department; Academic Office, and Development, Communications and Alumni Relations Office, and operating under the oversight of the relevant committee.

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Report of the Governing Body

Year ended 31 July 2023

In addition to the six main committees meeting through the year, the College relies on a number of committees that consider particular aspects of the College operation. These committees include external members to work alongside Fellows who may be attending and contributing from time to time. Their purpose and their current membership are:

- The Remuneration Committee reports to the Governing Body but may consult the Finance Committee and makes recommendations concerning main salary scales and other matters relating to the remuneration of persons who are also trustees. The external members are currently Helen Morton (chair), Michael Harloe, Hugh Blaza and Andrew Reid.
- The Audit Committee reports to Governing Body and, meeting termly, its duties include monitoring the effectiveness of the College's internal management controls and risk management systems. It is free to probe any activity, risk or opportunity with a College-level risk management perspective. It supports trustees with views on internal and external risks to the College achieving its objectives. The Audit Committee performs an assurance function to support the Trustees alongside the College's Auditors – Crowe U.K. LLP – whose role is statutory. The Committee critically reviews the annual report and financial statements. The Committee also interrogates College management responses to the risks facing the College as it delivers its purpose and may engage in deeper enquiries into College activity in order to provide independent assurance to the Governing Body. The members of the Audit Committee are currently Bill Child (Chair), Robin Nicholas, Peter Howell and John Morton, and independent external members Gilly Lord and Minesh Shah.
- The Investment Committee reports to the Governing Body and considers the College's investment strategy for its endowment assets, making recommendations for its implementation, and reviews the performance of those investment assets. The Committee includes six expert external members. In this year, they were John Authers, Tim del Nevo, Gavin Ralston, James Anderson, Charles Mason and Ross Owen.
- The Oversight Committee reports to the Governing Body and is focused exclusively on the governance matters arising from the 'Univ North' Development Project. It operates with a delegation of authority from the Governing Body to approve project-related matters within specified financial limits. The Committee meets six times per year. It is chaired by the Master with the Finance Bursar, Richard Ashdowne, Justin Benesch, Catherine Holmes, Patrick Rebeschini and John Wheeler as members.
- The Health and Safety Committee reviews health and safety issues and includes representation from all areas of the College.

Structure and relationships

The College, though autonomous, is a member of the collegiate University of Oxford. Interdependencies between the University and the College arise as a consequence of this relationship. The College administers many special trusts, as detailed in Notes 16 and 17 to the financial statements.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Object is to promote the advancement of university education, learning and research as a College in the University of Oxford including maintaining its historic buildings and other patrimony, pastoral care of its students, and public liturgy.

The Governing Body has considered the Charity Commission's guidance on public benefit and in keeping with its objects, the College's aims for the public benefit are to:

- Provide lectures, teaching facilities and high-quality individual or small group tuition and supervision to its students, who are selected on a financial-needs-blind basis according to academic merit alone;

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Report of the Governing Body

Year ended 31 July 2023

- Provide public liturgy, pastoral and academic support, and library facilities, and
- Advance research by providing grants to postgraduate research students, research fellowships to outstanding academics at the early stages of their careers and sabbatical leave to established academics to carry out research.

Activities and objectives of the College

The College's activities are focused on furthering its stated objects and aims for the public benefit.

Our key objectives for the year included:

- To continue to develop and enhance the quality of our tutorial provision in order to support the academic experience and success of our undergraduate students;
- To continue to enhance the wellbeing and success of our undergraduate and graduate students through the provision of professional pastoral and welfare support;
- To continue to monitor and refine our methods of selecting undergraduate students to ensure fairness in order those who are admitted are those who are expected to benefit from the academic environment of the collegiate University;
- To continue to collaborate with the University's academic departments in selecting graduate students so that those who are admitted are those who are expected to benefit from the academic environment of the collegiate University;
- To advance research through the appointing of outstanding early-career academics to Junior Research Fellowships, the appointing of sector-leading senior academics to Tutorial and Professorial Fellowships, and by facilitating the research activities of those Fellows of the College through the provision of sabbatical and research leave, and research funding;
- To continue to provide, and enhance the availability of, bursaries to undergraduate students of limited financial means;
- To develop further our academic transition support programme to facilitate the transition from secondary to tertiary education, and to help in particular those from educationally disadvantaged backgrounds;
- To strengthen our links with the secondary education sector and to increase our efforts to attract applications from academically outstanding students through our ambitious schools liaison activities;
- To continue a targeted programme of access and recruitment activities which are focused on ensuring that students from disadvantaged and under-represented backgrounds are encouraged to apply to study at the College and enabled to succeed here;
- To continue our efforts to attract the most outstanding graduate students and to provide fully-funded studentships for as many of them as possible.
- To support the achievement of the above objectives through the provision of non-academic support services for the resident and non-resident community of the College.

ACHIEVEMENT AND PERFORMANCE

The following table summarises the degrees awarded to members of the College during the year:

Degrees Awarded	2022-23	2021-22
Undergraduate	121	112

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1 st & Upper 2 nd Class	90.9%	92.9%
Taught Graduate	31	29
Research Graduate	39	38

It should be noted that, due to nationwide industrial action on the part of the University and College Union, the marking of university assessments was subject to a time-limited boycott, and consequently final marks are not available for a small proportion of student examinations and assessments. The data recorded above is complete at the time of approval of these accounts.

Throughout 2022–23, in-person teaching, and in-person study were the norm, and students were assessed by conventional in-person means. Very occasional recourse was had to online teaching where appropriate, and the lessons of the previous three years were invaluable in making this an effective experience. The after-effects of the pandemic remained visible in learning loss, staff and student fatigue, and welfare challenges. Though a difficult time, academic and welfare provision remained robust and high levels of student satisfaction were maintained and reported in feedback

The total of scholarships, prizes, grants, bursaries and hardship awards in 2023 was £1,672k (2022: £1,402k) including Oxford Bursary payments (Note 6). In addition, further awards totalling £138k (2022: £134k) were made by the Univ. Old Members' Trust to students of the College.

The College continued to expand its provision of graduate studentships in 2022-23 using newly endowed studentship funds leveraged by the University's Graduate Scholarship Matched Fund, and by linking College funds with Departmental and Divisional funding, to create a large number of fully funded graduate studentships.

The College launched the Univ Beacon Programme in 2022, which makes available bursaries, internships and research opportunities to undergraduate and graduate students who come from defined under-represented backgrounds. Two graduate Beacon scholars were appointed to begin their doctoral studies in October 2023, along with eight undergraduate Beacon scholars.

Details of the extent of the awards granted are set out below:

% Receiving Awards	2022-23	2021-22
Graduates*	53%	48%
Undergraduates*	23%	28%

*excludes those receiving small awards, e.g. book grants, etc.

Dropout rates at the College continue to be exceptionally low compared to the national average of 5.3% (Higher Education Statistics Agency ("HESA") Non-continuation following year of entry 2019-20).

	2022-23	2021-22
% of Undergraduates that do not continue their course after the first year	0.9%	0.0%

Schools liaison and access work has continued through a range of online and in-person modes, and 45 major events took place during the year, including three major study days, an additional online study day for BAME students, and inbound and outbound schools visits. The College worked with approximately 3,000 students over the year and hosted an additional 2,300 students at its Open Days.

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The College's online learning resource for pre-university students, called Staircase12, has also been refreshed with new material.

Research is a duty of all academic Fellows, and the College is pleased to celebrate their many academic accomplishments. In the last year, two Fellows were awarded the title of Professor in recognition of their important contributions to their respective fields. The College further supports research by granting sabbatical leave and special leave to Fellows for specific research activities. The College continues to employ outstanding researchers at an early stage of their careers. At any one time, the College employs up to ten Junior Research Fellows as early-career researchers – with five new JRFs having been appointed in 2022-23. These new JRFs included two appointed under the auspices of the Univ Beacon Programme, which were targeted at outstanding emerging scholars coming from backgrounds under-represented at Oxford.

The College also specifically allocated £92k (2022: £94k) for the purchase of books/equipment and conference attendance to support both junior and senior Fellows in their research efforts.

FINANCIAL AND OPERATIONAL REVIEW

Sources and Uses of Funds

Investment delivery, policy and objectives

The purpose of the investment policy is to generate additional value for the College so that it may support greater delivery of its higher education and academic objects than might have been possible otherwise. The College's endowed and related investments are deployed in commercial property, financial assets and fixed income assets with the aim of generating total returns, i.e., annual income and capital growth. In addition, the College self-helps through offering hospitality for educational conferencing and summer schools, as well as bearing down on costs.

The College's investment objectives are to:

- Support funding of current spending at sustainable levels with an unchanged, real long-term drawing rate of 3.5%; and
- Make sufficient additional excess returns to help fund capital investments in the College's functional assets.

The College's investments comprise a diverse range of asset classes, with a view to producing returns for the College with acceptable risk. Our investment policy is not based on the exclusion of particular types of investments, except for hedge funds, but does reflect the College's overall vigilance that its actions should be ethically sound, and that its actions reflect environmental and governance awareness. Its investments include funds that are actively considered through an ESG lens.

The investment management, strategy and policy has benefitted from the input of external advisers, under the guidance of the Investment Committee. It is also have been subject to a continuing review by an Investment Management Review Group, chaired by the Vice-Master which is tasked with attending to the process of management of the assets for the trustees. The College appointed a Property Investment Manager in 2021 and strengthened the Investment Committee with a further property specialist to respond to the challenges of managing the property portfolio and to maximise its contribution to total returns, which are continuing their slow recovery from the impact of the COVID pandemic.

Net income from investment assets (after provision for doubtful debts) was £6.5m (2022: £4.9m). The total provision made against the tenanted rental debtor balance at 31 July 2023 is £0.7m (2022: £1.0m). These figures support the view that the commercial properties continue their slow but steady post-pandemic recovery with higher tenancy rates and improved timing for payment of dues.

At the year end, the College's long-term investments, combining the securities and property investments, totalled £208.6m (2022: £206.9m). The overall total investment return (capital appreciation plus investment

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Year ended 31 July 2023

income less attributable costs) was 2.0% (2022: 6.7%) over the year. Since the inception of the Investment Committee (31 July 2002), the annualised return to 31 July 2023 is 7.8% (to 2022: 8.1%). Total losses on investments were £(1.1)m (2022: +£4.1 m).

Operations

The College's total expenditures remained steady at £(16.3)m (2022: £(16.3)m). The principal drivers working in opposite directions during the year were the continued increases in wages and salaries offset by the decrease in the provision for the contributions payable under the OSPS pension fund's deficit recovery plan (Note 20). There was a welcome recovery of conference and summer school activity, which generated £1.2m of income this financial year (2022: £0.9m).

Despite the challenges of inflationary pressures and slow recovery in property income, there has been no unmanageable risk to the College's status as a 'going concern'. The College's debt service, stipends, salaries and all other liabilities have been paid as they fell due. The Fellowship has considered ways to deliver cost-savings and other efficiencies that have the potential to bring income and expenditure into better balance and there is progress in their implementation. These actions towards improved financial sustainability are on schedule to deliver improvement over the next 5-10 years.

Univ North

The College has made early progress on the construction of the 'Univ North' scheme, the project to build new student residences and associated facilities at its expanded Staverton Road Annexe site in North Oxford. Univ North will enhance the College's offer to students in the form of subsidised accommodation. Importantly, the expanded premises will permit each year group to be co-located in its entirety for the first time and develops the Staverton Road Annexe from a residential satellite into a genuinely complementary site to that on the High Street which is believed will support the College's academic delivery.

The College's wholly owned design and build subsidiary, UnivDevCo Ltd., awarded the main construction contract to SDC Builders Ltd for the delivery of phase 1 for £44.165 million (see Note 27). This phase of construction comprises five new buildings and two renovations which will provide up to 120 new bed spaces, a nursery and gym. It represents the College's largest increase in functional premises in over three centuries. The focus has been on working to mitigate against the consequences of the disruption in the construction supply chains arising from the pandemic, and the challenging inflationary circumstances that prevailed through 2022-23.

The project has been enabled through nearly £50 million of new funds provided to supplement the £13 million which the College had already invested in establishing the project. The new funds comprise some £24 million of donations and about £26 million of an innovative structured funding through the generous assistance of an anchor donor.

The incoming monies pledged under the structured funding agreement are being paid in tranches following a payment schedule. On each receipt, the College recalculates and records the liability arising from the commitment to distribute a proportion of its cash receipts, net of costs, from Univ North.

As well as maintaining and enhancing its wider functional estate, a total of £0.4m (2022: £0.1m) was spent on capital projects (see Note 8).

Development activity

The College is fortunate and remains deeply grateful to its community of committed and generous donors, friends and volunteers that is so vital to the College's fundraising and development activity.

Over the past academic year, 1055 (2022: 1,355) donors have supported University College making a total of 5881 gifts (2022: 7,724).

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Donations recognised in the accounts total £3.7m (2022: £10.4m), with £0.6m raised as new pledges to be fulfilled in the year or in later years, together with in-year commitments made and paid. Over the past year, generous legacies from our alumni totalled over £0.2m (2022: £0.2m).

Fundraising continues to focus on the major areas of teaching and research at the College. The Development, Communications and Alumni Relations Office (DC&AR) is staffed by professionals employed by the College. They provide guidance and supervision to other College members who act as ambassadors and volunteers.

With the end of active fundraising for Univ North, the main focus was on thanking and celebrating the commitment of our donors. The DC&AR organised the Univ Donor Day, which was held in October 2022, aimed at showcasing the impact of philanthropy. It was a special pleasure to celebrate a milestone in the evolution of the Univ North project with the groundbreaking event in May 2023.

The DC&AR held two telethons - one in November 2022 and one in March 2023 - focused on raising money for the "Area of Greatest Need" contributing to the life of the College. There was a full events programme and engagement with alumni remains high. The Master made two trips to the US during the year to meet with alumni.

The fundraising strategy for the College is determined by the Governing Body and aims to seek funds in its core objectives of education and research. Fundraising is led by the Director of Development, Communications & Alumni Relations, who reports to the Governing Body. The DC&AR Office team (including the Director) is responsible for both fundraising and alumni relations activity within University College. Fundraising activity is directed at alumni of the College, and those Trusts and Foundations with objectives aligned with those of the College. A variety of methods are used including direct mail, email and social media, telephone and face-to-face approaches to discuss fundraising opportunities with supporters and potential supporters. The College has had no complaints about its fundraising engagement processes in 2022 - 2023 (there were no complaints in 2021-2022).

The Development and Communications Committee meets once a term and provides advice and strategic perspectives on fundraising and Old Member engagement.

The College uses a fundraising database Raiser's Edge NXT, to maintain contact details for alumni and donors. The College continues to work to maintain the integrity of its data and to ensure that all evidence of consent, whenever it is required, is recorded along with documentation to support to Gift Aid claims.

The College's compliance with GDPR regulations and the Charities (Protection and Social Investment) Act 2016 are central to the governance of its development activity. The College is registered with the Fundraising Regulator and follows its guidance and best practice when working with vulnerable people.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations, including the payments of interest on the bonds and Senior Note (see Note 15) even in the event of an unexpected revenue shortfall. This general operational reserve is a liquidity buffer comprising 3 months of operating expenditures and allows the College to be managed efficiently by providing assurance of uninterrupted services. The College's free reserves as at 31 July 2023 were £4m (2022: £4.0m).

Total Funds

Total funds of the Group at the year-end amounted to £238.5m (see Note 16) (2022: £237.4m) including endowment capital of £146.1m (2022: £147.1m) and unspent restricted income funds totalling £16.7m (2022: £17.2m) and unrestricted funds of £75.7m (2022: £73.2m). The unrestricted funds comprise £54.5m (2022: £54.3m) representing the book value of tangible fixed assets less associated funding arrangements, designated funds amounting to £16.1m (2022: £13.9m), a revaluation reserve of £0.9m (2022: £0.9m) and the College's general reserve of £4.0m (2022: £4.0m).

Details of the funds held for educational and research purposes are set out in Note 17.

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Year ended 31 July 2023

Risk management and Internal Controls

The Governing Body has accountability for managing all the risks to the delivery of its objectives and purpose that are faced by the College. It has reviewed the processes in place for managing risk and identified the principal risks to which the College is exposed. While the senior officers own the risk management processes in their respective areas of accountability, the College is working to develop a more holistic process that will help ensure risk prioritisation across the College's activities. The Audit Committee, through its annual cycle of meetings, probes and challenges the College's approach to risk management, including thorough discussions with senior officers on a rolling basis in respect of their respective areas of accountability.

Policies and procedures within the College are reviewed by the relevant College committee(s). For example, responses to risks to delivery of the College's higher education objects are reviewed and shaped by the Academic Committee; financial risks, including the funding of the Univ North development, are assessed by the Finance Committee and investment risks are monitored by the Investment Committee. Risks arising from common activity may be addressed by more than one committee. For example, Univ North project management risks fall under the aegis of the Oversight Committee, which has an explicit delegation of authority from the Governing Body.

All College committees can be subject to review by the Audit Committee which reports directly to the Governing Body. Where capability issues are identified, training courses and other forms of personal career development are available to members of staff to enhance their skills in risk-related areas.

Over the year, senior officers and their teams have been engaged in a process to identify the key risks facing the College. These have been summarised at the College level as:

- Financial Sustainability
- Collegiality, Community and Cohesion
- Governance

Since the start of the last academic year, the Governing Body has considered an overview report from the Master looking at the changing context of higher education and its potential impact on delivery of the College's academic objectives. The context in which education and research is being delivered is evolving rapidly. Issues associated with environmental sustainability, the trans debate, increasing casualisation of some modes of employment in higher education, pensions, industrial action, the importance of a supporting early career academics, falling value of tuition fee, and recruitment/retention have all had an impact.

Financial sustainability – the Governing Body is regularly presented with financial and investment data, which is first scrutinised by the Finance Committee and, as appropriate, the Investment Committee. The investment performance is also considered as part of the financial risks review. Appropriate liquidity is maintained within the endowment assets to be prepared for potential existential threats to the College.

Compliance with law and regulation – management receive training and advice on compliance issues in their areas of responsibility, including, for example, Prevent, health and safety, access support and data protection. The College's statutory Data Protection Officer, under UK General Data Protection Regulations, rests with Moore ClearComm, with the current nominated lead being Meagan Mirza.

Collegiality, Community and Cohesion – COVID-19 remains an operational risk that has continued to disrupt the return to normal, albeit with much diminished strength. While there was no lasting impact on the College's higher educational activities, delivering its objects placed an additional toll upon all its staff. The College has had the financial resources to see it through the pandemic and, as a consequence, has not signalled a major incident to the Charity Commission. As can be seen in the tables below, the College's business continuity plans, developed previously as risk management in readiness, were put into full and effective operation.

The College's insurances against the unforeseen are extensive and are reviewed annually. The insurance regime remains under scrutiny because of the exceptional risk circumstances and the challenge in the insurance markets giving rise to more costly premia. Through the College's management processes,

UNIVERSITY COLLEGE

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senior officers and their teams identify and assess risk in order to decide on the right risk mitigation measures.

Governance – the College governance arrangements ensure the smooth running of the College and timely decision making. The Governing Body is the Trustee body responsible for oversight of the College’s activities and is the sovereign body of the College. Many matters are delegated to Committees, which define and make recommendations to the Governing Body for approval. Each committee’s membership is reviewed annually by the Master to ensure a diversity of perspectives and appropriate skills. Where appropriate, the College utilises working groups of Fellows to consider specific issues. The College operates within the framework of Charity Commission’s expectations on wider governance matters, including attention to conflicts of interest and registration of interests.

The College has a range of policies governing the way the higher educational objects of the College are delivered, including academic policies covering students’ experiences, including welfare, teaching and research, as well as non-academic policies governing the day-to-day operations of the College.

Some risks are enduring, or ever present. In contrast, some risks maybe emerging, temporary and short term, arising either through some external step-change, or from a new project or change in College direction arising from a new initiative.

Financial Sustainability

Title	Risk	Potential Impact	Management
Financial Management and Sustainability	<p>Loss of income from changes in student financing, research support, or commercial returns from our endowment assets.</p> <p>Threat to student and staff experience.</p> <p>Retention of staff.</p>	Inability to fund core activities. Inability to sustain College’s endowment.	<p>Engage with Oxford University to sustain funds for teaching and research, and access appropriate new resources. Regular reviews by Finance Committee, challenging College’s use of funds, and Investment Committee, guiding investment plans, ensures that financial management receives scrutiny and challenge.</p> <p>An operational general reserve is maintained to cover 3-month fund demand through normal cycles. This is underpinned by maintaining significant liquidity with our invested assets to allow them to be drawn on quickly to cover any existential risk.</p> <p>The College continues to bear down on expenditure with a detailed review of operational income and expenditure by a Financial Sustainability Working Group and the Trustees to address sustainable expenditure.</p>
Financial – Univ North	The expansion of the College’s north Oxford site with a material development creates the potential for financial distress as well as unfulfilled expectations.	Worst outcome includes inability to fund core activities and/or damage College’s endowment.	Univ North development project was subject to a dedicated risk review that identified 17 risk issues. Satisfactory management responses have been developed to these College-level risks which are in addition to the project’s own rigorous project risk management. Project risk management follows an emergent, evolving cycle of identifying new risks and management response.

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Year ended 31 July 2023

Title	Risk	Potential Impact	Management
			<p>Univ North project continues to be a standing agenda item for all Governing Body meetings with governance arrangements augmented by the Oversight Committee, chaired by the Master, and its underpinning Project Board. The Finance Committee and Univ North Working Party continue to interrogate certain aspects of the project in support.</p> <p>Project risk issues at period-end include final definition of an acceptable sustainability/ decarbonisation brief; cost efficiencies delivered against the unfixed, provisional scope and compliance with increasing regulatory demands.</p>
Staff Pensions	Failure to retain top quality academic staff as regulatory requirement to recover the Defined Benefit pension deficit risks pension benefits.	Liability arises from higher employer's contribution and potentially a need to 'make-up' the loss from reduced pension benefits. Industrial action by academics.	Strike action and staff discontent are concerns in the light of challenges with Universities Superannuation Scheme (USS) and salary incrementation. The College continues to contribute to employer consultations initiated by UUK and USS trustees in order to help find acceptable structural solutions. The risk has abated from the 2020 valuation. While employee engagement continues, close monitoring is essential given limited influence on USS trustees. The inflationary backdrop adds pressure to living costs for staff and the risk of staff feeling worse off.

Collegiality, Community and Cohesion

Title	Risk	Potential Impact	Management
Students	Failure to attract, recruit and admit sufficient appropriate students.	Loss of status as an elite academic institution; loss of academics and income leading to decline.	<p>Maintain numbers through realistic over-offering, and participation in Open Offer schemes. Adhere to the University's common admissions framework. Champion the wider adoption of Univ's Opportunity Programme by supporting "Opportunity Oxford", to deepen widening participation and thereby tap into the nation's wider talent pool.</p> <p>Develop the Beacon Programme to address the risk of missing talent in underrepresented sections of society at Oxford.</p>
Students	Failure to teach and supervise students to an appropriate standard.	Student under-performance. Reputational damage.	Regular monitoring of student progress and quality of teaching provision. Annual review of quality assurance measures by reference to Oxford University guidelines.

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Title	Risk	Potential Impact	Management
Students	Substandard support for students with disabilities, who may be vulnerable or otherwise disadvantaged. Deterioration of welfare support generally.	Failure of affected students to progress satisfactorily.	The Equality, Diversity, and Inclusion Committee provides the leadership platform and agency for this risk. Provision of services for students with disabilities is supported by a dedicated Student Disability & Welfare Advisor and the College works closely with the University's Disability Advisory Service. College is also pursuing a multi-year Accessibility budget to invest in improvements to our functional premises. Recognition that different processes apply for mental well-being. Under-represented student participation will be bolstered by the introduction of the Beacon programme of bursaries and support.
Academic Staff	Failure to recruit and retain high quality academic staff.	Poor teaching and care of students. Adverse effect on research reputation.	Joint appointment procedures followed by the College and Oxford University. Policies to support research and research leave. Rewards Policy approved to underpin remunerative processes for efficiency and effectiveness.
Support Staff	Failure to recruit and retain capable teams of support staff for domestic operations.	Disrupted services for all members.	Close attention to optimisation of existing resources with common processes and tailoring of service levels to meet current capability. Judicious restructuring and appointment into critical gaps to rebuild service capacity.
Health and Safety, including safeguarding.	Risk of avoidable injury and harm to individuals. Failure to discharge full duty of care with consequences to individuals' physical and/or mental wellbeing.	Harm to member(s) of College. Loss of licence to operate, with close attention by regulatory authority and monitored remediation plan undertaken. Fines and grave reputational damage.	This risk is controlled through clear H&S policy setting expectations of conduct on all activities including hazardous ones, e.g., working at height while servicing buildings; welfare processes for young people in College; and keeping members safe through pandemics of infectious diseases. Fire safety and H&S reviews assessed at least annually and on any change of operation.

Governance

Title	Risk	Potential Impact	Management
Compliance	Non-compliance with statutory requirements, such as Charity Act, reporting requirements,	Charges and fines arising from unlawful acts, e.g., distribution of sensitive personal data, rising to	Close and regular contact with legal advisors helps ensure proactive attention and response to changes of legislation. UK GDPR governance implemented and maintained across all departments. Sensitive

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Report of the Governing Body

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Title	Risk	Potential Impact	Management
	GDPR, Health & Safety, and similar.	criminal charges for fraud, or overt scrutiny by Charity Commission.	welfare and personal data are kept securely with access restricted and retention schedules maintained. Data breach reporting has been robust, with currently a culture of open reporting, but constant attention required. GDPR compliance is subject to audit by DPO. The main focus of risk management is on third parties who are processing College personal data.
External – Information and IT Provision	Physical damage to IT equipment and virus/malware attack leading to loss of confidence. Cyber-attack for ransom.	Loss of key data and disruption to day-to-day operations.	Essential files stored on central servers with daily backups and continuous replication of the servers onto a dedicated disaster recovery site. Secure access has been enhanced to the College network for computers that have been screened for virus/malware, which is particularly important given the reduction in affordable insurance cover for cyber threats. Multi-factor authorisation being implemented across all functional aspects of the IT provision.
External – Sustainability challenge and ESG expectations	Failure to make visible progress on ESG expectations across all activities giving rise to reputational risk.	The College's control of the agenda appears to decline and reduces the credibility with external stakeholders.	A multi-year carbon reduction programme has been re-energised under the direction of the Premises Committee with a new 8-year programme of heat decarbonisation initiatives. The exemplary Univ North project is landscaped and a fabric-first, high efficiency development scheme which has been subject to further works to identify and implement additional decarbonisation plans and progress delivery of biodiversity goals. Social enhancement is now under the direction of a dedicated Equality, Diversity and Inclusion Committee

The risks to the College's delivery and operation that are not enduring arise from time-to-time due to either an external event or particular choices or changes that the Governing Body may make, such as a new project or direction. These risks may therefore emerge and persist for several periods, before the material risk is either managed away, the impact of the risk event declines, or the risk becomes enduring. This evolution reflects the dynamic nature of risk management. All external pressures, new legislation and similar, require attention and potentially deeper management action as the judgement develops on the scale of risk and its implications.

FUTURE PLANS

The College's future plans as agreed by the Governing Body are:

- i. to strengthen the intellectual environment in which our undergraduate and graduate students are educated and continue to put in place measures for improving the performance of our undergraduates in public examinations;

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Report of the Governing Body

Year ended 31 July 2023

- ii. to promote the exceptional quality of the education offered to our undergraduates with a view to attracting the best students from all sectors, including those from under-represented backgrounds;
- iii. to maintain its support to admitting more undergraduate applicants from the most disadvantaged backgrounds, taking account of new University initiatives;
- iv. to provide excellent welfare and disability support to our students, with a view to helping them achieve their full intellectual and educational capacity;
- v. to continue to provide means-tested bursaries to students from disadvantaged backgrounds, and to provide bridging support to those from educationally disadvantaged backgrounds who may be in need of it;
- vi. to continue to fundraise for fully funded graduate studentships, and to compete in an international market for the most outstanding graduate students, and to incentivize applications from students from under-represented backgrounds through the provision of new targeted grants.
- vii. to continue to support the research of our Fellows;
- viii. to establish new research and teaching posts for early career academics, and
- ix. the development of Univ North to enhance the College's offer to its students, staff and Fellows to continue to build an inclusive culture within the College to maximise the contribution made by students, Fellows and staff.

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Report of the Governing Body

Year ended 31 July 2023

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity, and of its net income or expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the College's statutes. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 29th November 2023 and signed on its behalf by:

Right Honourable Baroness Valerie Amos CH PC

Master

Independent auditor's report to the trustees of University College

Year ended 31 July 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF UNIVERSITY COLLEGE OXFORD

Opinion

We have audited the financial statements of University College Oxford (the "Parent Charity") and its subsidiary (together, the "Group") for the year ended 31 July 2023, which comprise:

- the Group Statement of Financial Activities for the year ended 31 July 2023;
- the Group and Parent Charity Balance Sheets as at 31 July 2023;
- the Group Cash Flow Statement for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 July 2023 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the trustees' assessment of the Group's and Parent Charity's ability to continue to adopt the going concern basis of accounting included:

- considering the cash position of the Charity along with current facilities available; and
- reviewing the cash expenditure model provided by management and challenging the assumptions made, including the funding for the ongoing capital work and the liquidity of investment holdings.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent auditor's report to the trustees of University College

Year ended 31 July 2023

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £4.170m (2022: £5.95m), based on 2% of total investments (2022 based on 2% of gross assets). There was change in materiality benchmark from gross assets to investments as investments provide a better benchmark for the financial position and funds of the College. In addition, we determined a lower materiality level applicable for particular classes of transactions, account balances or disclosures. This has been set at £0.4m (2022: £0.3m) which represents approximately 2% of income, and is applied to transactions and all account balances with the exception of fixed asset investments. Materiality for the Parent Charity financial statements as a whole was set at £4.165m (2022: £5.30m) based on 2% of total investments (2022 based on 2% of gross assets).

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. The performance materiality used for all balances and transactions other than investments was £265k (2022: £378k) whilst £2.0m was used for investments (2022: £5.0m) for the Group and College.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and trustee's remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £18.5k (2022: £22.7k). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The audit procedures have been carried out solely by Crowe U.K. LLP. We performed an audit of the complete financial information of University College Oxford and its subsidiary. Our audit was conducted at University College Oxford. Our audit approach was risk based and founded on a thorough understanding of the College's activities, its environment and risk profile.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Independent auditor's report to the trustees of University College

Year ended 31 July 2023

Key audit matter	How the scope of our audit addressed the key audit matter
<p><i>Investment property (Note 9)</i></p> <p>The College has a significant property portfolio, with a carrying value of £80.8m, which is classified as Investment property for financial reporting purposes and carried at fair value in accordance with Financial Reporting Standard 102.</p> <p>The valuation of property required significant judgement and estimates by management and the external valuer. Any input inaccuracies or unreasonable bases used in these judgements could result in a material misstatement of the Statement of Financial Activities and Balance Sheet.</p> <p>There is also a risk that management may bias the significant judgements and estimates in respect of property valuations in order to influence property valuation.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none">• Evaluating the competence of the external valuer which included consideration of their independence, qualifications and expertise.• Evaluating the valuations performed by external valuers by determining whether these were made in accordance with RICS guidance and comparing movements in valuation to observable market data and wider market trends.• Discussing and challenging the assumptions made by the valuers to understand the basis of their valuation for those properties outside of our range of expectations.• Assessing the design and implementation of internal controls over journals. <p>Our testing did not identify any material misstatements in the valuation of investment properties.</p>
<p><i>Accounting for the Al Duca financing arrangement (Note 15)</i></p> <p>The College entered into the 'Al Duca' philanthropic financing arrangement on 1 March 2022. The arrangement is a complex financial instrument. The arrangement includes a Donation agreement and a Distribution agreement.</p> <p>The measurement of a financial liability under the Distribution agreement is based on significant estimates and judgements of management. Key assumptions include those used in Financial Model used to determine the financial liability and the discount rate.</p>	<p>As part of our work on this arrangement we:</p> <ul style="list-style-type: none">• Confirmed the conclusions reached by management for the accounting treatment for the financing arrangement through review of the signed agreement.• Checked the numerical accuracy of the Financial Model prepared by management.• Agreed the Financial Model included the key terms of the signed financing agreements.• Assessed the appropriateness and challenged the assumptions and key judgements made by management in respect of the discount rate and Financial Model.

Independent auditor's report to the trustees of University College

Year ended 31 July 2023

Key audit matter	How the scope of our audit addressed the key audit matter
<p>At 31 July 2023 the asset of £8.1m held by the College represents the total cash received to date, with a financial liability of £5.2m. Gift income and finance credit of £1.3m and £1.0m respectively have been recognised in respect of the year to 31 July 2023.</p> <p>Given the management judgement involved and the significance of the implementation to the Group and Parent Charity financial statements, we consider this to be a key audit matter.</p>	<ul style="list-style-type: none">Assessed the appropriateness of the disclosures in the Group financial statements in relation to the financial arrangement. <p>Our testing did not identify any material misstatements in this arrangement.</p>

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
 - sufficient accounting records have not been kept; or
 - the financial statements are not in agreement with the accounting records ; or
 - we have not received all the information and explanations we require for our audit
-

Independent auditor's report to the trustees of University College

Year ended 31 July 2023

Responsibilities of the trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's and Parent Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Group or the Parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the parent charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were The Charities Act 2011, together with taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the parent charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the parent charity and the group for fraud. The other laws and regulations we considered in this context for the group were Charity Commission legislation, anti-fraud, bribery and corruption legislation; health and safety legislation as well as employment legislation.

Independent auditor's report to the trustees of University College

Year ended 31 July 2023

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the accounting for the Al Duca financing arrangement, investments (including investment property), the College's pension liability and the timing of recognition of donations and legacies income and the override of controls by management. Our audit procedures to respond to risks associated with the Al Duca financing arrangement and investment property is outlined above, our work on income recognition included selecting a sample of income during the year, agreeing back to the relevant documentation and ensuring it has been recognised correctly. Our audit procedures to respond to the risk of management override included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the Governing Body on 8 June 2018 to audit the College financial statements for the year ended 31 July 2018 and subsequent financial periods.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the College and we remain independent of the College in conducting our audit. We confirm that we have not provided any non-audit services to the College.

Our audit opinion is consistent with the additional report to the audit committee.

Independent auditor's report to the trustees of University College

Year ended 31 July 2023

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Statutory Auditor

London

Date 1/12/23

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

UNIVERSITY COLLEGE

Statement of Accounting Policies

Year ended 31 July 2023

STATEMENT OF ACCOUNTING POLICIES

1) Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (“SOFA”), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows comprising the consolidation of the College and its wholly owned subsidiary UnivDevCo Limited. The subsidiary has been consolidated from the date of formation, being the date from which the College exercised control through voting rights. Intra-group sales and charges between the College and its subsidiary are excluded from consolidated income and expenditure. Balances between the College and its subsidiary are eliminated on consolidation. A separate SOFA has not been presented for the College as permitted by the Charity Commission. The comparative year figures for the Group comprise only the College.

The accounts of the University College Old Members’ Trust (“OMT”) have not been consolidated because the College does not control its activities. The net assets of the OMT as at 31 July 2023 were £10.6m (2022: £11.1m). Its incoming resources for the year then ended were £461k (2022: £302k) and it contributed £161k (2022: £186k) to the College during the year.

2) Basis of accounting

The College’s financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular ‘FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its financial statements in accordance with ‘The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102’ (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the SOFA. The College has cash resources and has no further requirement for external funding in excess of current facilities. The Trustees have a high expectation that the College has adequate resources to continue in operational existence for the foreseeable future. In making their assessment the Trustees have considered the impact on the business of COVID-19 including the ability of the College to continue to operate as a College of the University of Oxford. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

3) Accounting judgements and estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Governing Body to have the most significant effect on amounts recognised in the financial statements.

The College participates in the Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme. These schemes are hybrid pension schemes, providing defined benefits (for members), as well as defined contribution benefits. The assets of the schemes are each held in a separate trustee-administered fund. Because of the mutual nature of the schemes, the assets are not attributed to individual Colleges and scheme-wide contribution rates are set. The College is therefore exposed to actuarial risks associated with other Universities’ and Colleges’ employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 “Employee benefits”, the College therefore accounts for the schemes as if they were wholly defined contribution schemes. As a result, the amount charged to the profit and loss account represents

UNIVERSITY COLLEGE

Statement of Accounting Policies

Year ended 31 July 2023

the contributions payable to each scheme. Since the College has entered into agreements (the Recovery Plans) that determine how each employer within the schemes will fund the overall deficit, the college recognises a liability for the contributions payable that arise from the agreements (to the extent that they relate to the deficit) and therefore an expense is recognised.

The College carries investment property at fair value in the balance sheet, with changes in fair value being recognised in the income and expenditure section of the SOFA. Independent valuations are obtained to determine fair value at the balance sheet date. Properties have been valued individually by independent valuers on the basis of fair value in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Professional Standards UK, revised April 2015.

On the 1st March 2022 the College entered into two back-to-back structured finance agreements (Donation and Distribution) whereby philanthropic funding would be provided for the College's 'Univ North' development and, in return, the College would commit to distribute the net receipts from bedspace usage from the development for a minimum of 40, and a maximum of 50 years, to a US University nominated by the funder ("Al Duca"). The agreements are accounted for as a single transaction assessed as being a complex financial instrument. The Governing Body has to exercise judgment on the quantum and timing of the anticipated cashflows and the discount rate to be applied to assess the fair value of those flows at the point of receipt and subsequent balance sheet dates.

Before legacies are recognised in the financial statements, the Governing Body has to exercise judgement as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient entitlement has been determined to exist once notification of payment has been received from the executor(s) of the estate or estate accounts are available which indicate there are sufficient funds in the estate after meeting liabilities for the bequest to be paid.

With respect to the next financial year, the most significant areas of estimation uncertainty that affect the carrying value of assets held by the College are the level of investment return and the performance of investment markets.

4) Consolidation

Since the date of formation, UnivDevCo Limited has been consolidated annually although it only began trading during the 2021-22 financial year. Intra-group sales and charges between the College and UnivDevCo Limited are excluded from consolidated income and expenditure. Balances between the College and UnivDevCo Limited are also eliminated upon consolidation.

5) Income recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable, and the amount can be reliably measured.

a) Income from fees, Office for Students ("OfS") support and other charges for services and the use of premises.

Fees receivable, OfS support and charges for services and use of the premises including contributions received from restricted funds, are recognised in the period in which the related service is provided.

b) Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the College has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College, and it is probable that the specified conditions will be met.

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Year ended 31 July 2023

Legacies are recognised following grant of probate and once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations, grants and legacies-which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

c) Investment income

Interest income is recognised using the effective interest method except for interest receivable on bank deposit accounts and from government gilts which are on an accruals basis.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

Income from investment properties is recognised in the period to which the rental income relates.

d) Government Grants

Grants provided through the Coronavirus Job Retention Scheme are government grants. Income has been recognised under the accruals model whereby income is recognised on a systematic basis over the period in which the College recognises the related payroll costs for which the grant is intended to compensate.

5) Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure are recognised when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the SOFA.

Support costs which include governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

6) Leases

Leases of assets that transfer substantially all the risks and rewards of ownership are classified as finance leases. The costs of the assets held under finance leases are included within fixed assets and depreciation is charged over the shorter of the lease term and the assets' useful lives. Assets are assessed for impairment at each reporting date. The corresponding capital obligations under these leases are shown as liabilities and recognised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Lease payments are apportioned between capital repayment and finance charges in the SOFA so as to achieve a constant rate of interest on the remaining balance of the liability.

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Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged in the SOFA on a straight-line basis over the relevant lease terms. Any lease incentives are recognised over the lease term on a straight-line basis.

7) Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Under FRS 102, the College has elected to use the fair value of certain land holdings as a 'deemed cost'. The valuation was undertaken by Carter Jonas, Chartered Surveyors, in accordance with the RICS Valuation – Professional Standards UK, revised in April 2015, for valuations for inclusion in financial statements prepared in accordance with revised UK Generally Accepted Accounting Principles ("GAAP") procedures (note 8).

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £10,000 together with expenditure on equipment costing more than £10,000 is capitalised.

Where a part of a building or equipment is replaced and the costs capitalised, the carrying value of those parts replaced is derecognised and expensed in the SOFA.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiary is charged to the SOFA as incurred.

8) Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Educational papers and documents	50 years
Fixtures, fittings and equipment	5 years

Freehold land is not depreciated. The costs of maintenance are charged in the SOFA in the period in which they are incurred.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

9) Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as hedge funds and private equity funds which have no directly observable market value are initially measured at their cost and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations

UNIVERSITY COLLEGE

Statement of Accounting Policies

Year ended 31 July 2023

available from their respective fund managers. These use significant unobservable inputs in their valuation techniques.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

Cash and cash equivalents are held within investment funds to provide liquid funds for investment opportunities and to provide adequate availability of funds in the event of major shocks to the world financial markets.

10) Other financial instruments

a) Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short-term deposits with a maturity date of three months or less.

b) Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are initially recognised at their transaction price and subsequently measured at amortised cost. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest and subsequently measured at amortised cost.

c) Bonds liability

On 28 April 2015 the College issued £40m of 3.068% unsecured bonds due April 2065. They are treated as a basic financial instrument. The bonds were initially measured at the proceeds of issue less all transaction costs directly attributable to the issue. After initial recognition the bonds are measured at amortised cost (note 14).

On 30 March 2017 the College issued an unsecured Senior Note of £10m with an interest rate of 2.53% repayable in March 2057. It is treated as a basic financial instrument. The Senior Note was initially measured at the proceeds of issue less all transaction costs directly attributable to the issue. After initial recognition the Senior Note is measured at amortised cost note 15.

d) "Al Duca" funding arrangement

On the 1st March 2022 the College entered into two back-to-back structured finance agreements (Donation and Distribution) whereby philanthropic funding would be provided for the College's 'Univ North' development and, in return, the College would commit to distribute the net receipts from bedspace usage from the development for a minimum of 40, and a maximum of 50 years, to a US University nominated by the funder. The agreements are accounted for as a single transaction assessed as being a complex financial instrument.

On each and every receipt under the Donation Agreement, a liability under the Distribution agreement is calculated at fair value (see Note 23). Any difference in the fair value of the liability under the Distribution agreement and the remittance under the Donation agreement is recognised as donation income in the SOFA. At subsequent balance sheet dates, any change in the fair value of the liability under the Distribution agreement is subsequently recognised as a finance charge or credit.

The total pledged under the structured funding agreement is \$35m. The first payment in April 2022 was \$5m. With each subsequent receipt the College will recalculate the liability arising from the commitment to distribute the proportion of its receipts, net of costs, from the new build. The liability will be recalculated at each subsequent balance sheet date at fair value. The basis of the calculation of fair value is discounted cash flow.

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Year ended 31 July 2023

11) Stock

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

12) Foreign currencies

The functional and presentation currency of the College and its subsidiary is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

13) Fund accounting

The total funds of the College and its subsidiary are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. Endowment funds are further subdivided into permanent and expendable.

Unrestricted funds can be used in furtherance of the object of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose, and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required that the capital be maintained, and the income used for specific purposes.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any income arising from the capital will be accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment funds in that they have been given, or the College has determined based on the circumstances that they have been given, for the long-term benefit of the College. However, the Governing Body may at its discretion determine to spend all or part of the capital.

14) Pension costs

The costs of retirement benefits provided to employees of the College through two multi-employer hybrid pension schemes (benefits are based on salaries as well as benefits based on contributions) are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

In addition, a liability is recognised at the balance sheet date for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

University College
Consolidated Statement of Financial Activities
For the year ended 31 July 2023

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2023 Total £'000	2022 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:						
Teaching, research and residential	1	8,018	270	-	8,288	7,588
Donations and legacies	2	1,786	1,181	703	3,670	10,406
Investments						
Investment income	3	1,736	80	4,667	6,483	4,988
Total return allocated to income	12	-	4,185	(4,185)	-	-
Other income						
Government Grants		-	-	-	-	168
Other		26	-	-	26	-
Total income		11,566	5,716	1,185	18,467	23,150
EXPENDITURE ON:						
Charitable activities:						
Teaching, research and residential	4	7,014	5,824	-	12,838	12,497
Generating funds:						
Fundraising		546	350	-	896	1,158
Investment management costs		105	18	951	1,074	1,171
Interest payable on bond and senior note		1,480	-	-	1,480	1,480
Total Expenditure		9,145	6,192	951	16,288	16,306
Net Income before gains		2,421	(476)	234	2,179	6,844
Net gains/(loss) on investments	9, 10	168	(45)	(1,225)	(1,102)	4,106
Net Income/(expenditure)		2,589	(521)	(991)	1,077	10,950
Transfers between funds	16,12	-	-	-	-	-
Other recognised gains/losses						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	924
Net movement in funds for the year		2,589	(521)	(991)	1,077	11,874
Fund balances brought forward	16	73,166	17,169	147,075	237,410	225,536
Funds carried forward at 31 July		75,755	16,648	146,084	238,487	237,410

University College
Consolidated and College Balance Sheets
As at 31 July 2023
Charity No. 1141259

	Notes	2023 Group £'000	Restated 2022 Group £'000	2023 College £'000	Restated 2022 College £'000
FIXED ASSETS					
Tangible assets	8	64,736	59,714	64,736	59,714
Property investments	9	80,750	82,388	80,750	82,388
Other investments	10	127,875	124,504	127,875	124,504
Total Fixed Assets		273,361	266,606	273,361	266,606
CURRENT ASSETS					
Stocks		74	73	74	73
Debtors	13	4,904	6,981	7,236	7,038
Cash at bank and in hand		23,408	23,901	23,270	23,895
Total Current Assets		28,386	30,955	30,580	31,006
LIABILITIES					
Creditors: Amounts falling due within one year	14	5,917	3,731	8,282	3,788
NET CURRENT ASSETS		22,469	27,224	22,298	27,218
TOTAL ASSETS LESS CURRENT LIABILITIES		295,830	293,830	295,659	293,824
CREDITORS: falling due after more than one year	15	54,616	52,813	54,616	52,813
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		241,214	241,017	241,043	241,011
Defined benefit pension scheme liability	20	2,727	3,607	2,727	3,607
TOTAL NET ASSETS		238,487	237,410	238,316	237,404
FUNDS OF THE COLLEGE					
Endowment funds		146,084	147,075	146,084	147,075
Restricted funds		16,648	17,169	16,648	17,169
Unrestricted funds		70,660	68,216	70,660	68,216
Designated funds		70,660	68,216	70,660	68,216
General funds		4,172	4,026	4,000	4,020
Revaluation reserve		924	924	924	924
		238,487	237,410	238,316	237,404

The financial statements were approved and authorised for issue by the Governing Body of University College on 29th November 2023.

Trustee: Right Honourable Baroness Valerie Amos CH PC

Trustee: Dr Andrew I Grant

University College
Consolidated Statement of Cash Flows
For the year ended 31 July 2023

	Notes	2023 £'000	2022 £'000
Net cash used in operating activities	24	<u>(169)</u>	<u>3,934</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		6,483	4,988
Investment management expenses		(1,074)	(1,171)
Proceeds from the sale of property, plant and equipment		-	547
Purchase of property, plant and equipment		(6,023)	(290)
Proceeds from sale of investments		16,191	20,157
Purchase of investments		(18,033)	(28,491)
Net cash provided by investing activities		<u>(2,456)</u>	<u>(4,260)</u>
Cash flows from financing activities			
Interest payable on bond and senior note		(1,480)	(1,480)
Cash inflows from Al Duca funding		4,101	3,400
Receipt of endowment donations		703	2,049
Net cash provided by financing activities		<u>3,324</u>	<u>3,969</u>
Change in cash and cash equivalents in the reporting period		<u>699</u>	<u>3,643</u>
Cash and cash equivalents at the beginning of the reporting period		44,710	39,710
Change in cash and cash equivalents due to exchange rate movements		(198)	1,357
Cash and cash equivalents at the end of the reporting period	26	<u>45,211</u>	<u>44,710</u>

University College
Notes to the financial statements
For the year ended 31 July 2023

1 INCOME FROM CHARITABLE ACTIVITIES

	2023 £'000	2022 £'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,770	1,849
Tuition fees - Overseas students	1,468	1,142
Other OFS support	280	269
Other academic income	40	58
College residential income	4,460	3,963
	<u>8,018</u>	<u>7,281</u>
Restricted funds		
Other academic income	270	307
Total Teaching, Research and Residential Income	<u>8,288</u>	<u>7,588</u>

The above analysis includes £3,518k received from Oxford University from publicly accountable funds under the CFF Scheme (2022: £3,260k).

2 DONATIONS AND LEGACIES

	2023 £'000	2022 £'000
Donations and Legacies		
Unrestricted funds	1,786	2,024
Restricted funds	1,181	6,333
Endowed funds	703	2,049
	<u>3,670</u>	<u>10,406</u>

3 INVESTMENT INCOME

	2023 £'000	2022 £'000
<i>Unrestricted funds</i>		
Agricultural rent	24	23
Commercial rent	1,072	974
Other property income	45	42
Equity dividends	111	112
Income from fixed interest stocks	153	34
Interest on fixed term deposits and cash	331	50
	<u>1,736</u>	<u>1,235</u>
<i>Restricted funds</i>		
Agricultural rent	4	3
Commercial rent	46	43
Other property income	9	8
Equity dividends	11	11
Income from fixed interest stocks	10	3
	<u>80</u>	<u>68</u>
<i>Endowed funds</i>		
Agricultural rent	146	138
Commercial rent	2,829	2,596
Other property income	271	235
Equity dividends	494	499
Income from fixed interest stocks	505	151
Interest on fixed term deposits and cash	422	66
	<u>4,667</u>	<u>3,685</u>
Total Investment income	<u>6,483</u>	<u>4,988</u>

Following the adoption of a total return policy with effect from 1st August 2020 investment income is classified as arising within the endowment funds (as opposed to within the restricted funds associated with the respective endowments).

4 ANALYSIS OF EXPENDITURE

	2023 £'000	2022 £'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	5,342	5,002
Other direct costs allocated to:		
Teaching, research and residential	6,751	4,499
Support and governance costs allocated to:		
Teaching, research and residential	745	2,996
Total charitable expenditure	<u>12,838</u>	<u>12,497</u>

University College
Notes to the financial statements
For the year ended 31 July 2023

4 ANALYSIS OF EXPENDITURE (CONTINUED)	2023 £'000	2022 £'000
Expenditure on generating funds		
Direct staff costs allocated to:		
Fundraising	481	529
Other direct costs allocated to:		
Fundraising	284	225
Investment management costs	193	328
Interest payable on bond and senior note	1,480	1,480
Support and governance costs allocated to:		
Fundraising	131	404
Investment management costs	881	843
Total expenditure on generating funds	3,450	3,809
Total expenditure	16,288	16,306

The 2022 resources expended of £16,306k represented £11,242k from unrestricted funds, £4,244k from restricted funds and £820k from endowed funds.

The teaching and research costs include College Contribution paid of £146k (2022:£130k).

5 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2023 Total £'000
Financial administration	344	644	988
Domestic administration	44	394	438
Human resources	-	126	126
IT	9	165	174
Depreciation	-	839	839
Loss on disposal of fixed assets	-	163	163
Finance credit on Al Duca funding	-	(954)	(954)
Investment management	659	-	659
Other finance charges	(126)	(714)	(840)
Governance costs	82	82	164
	1,012	745	1,757

	Generating Funds £'000	Teaching and Research £'000	2022 Total £'000
Financial administration	331	537	868
Domestic administration	39	353	392
Human resources	-	110	110
IT	8	157	165
Depreciation	-	820	820
Profit on sale of fixed assets	-	(177)	(177)
Finance credit on Al Duca funding	-	(236)	(236)
Investment management	562	-	562
Other finance charges	241	1,366	1,607
Governance costs	66	66	132
	1,247	2,996	4,243

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity.

Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets.

Interest and other finance charges are attributed according to the purpose of the related financing.

Governance costs are attributed equally between generating funds and teaching and research.

	2023 £'000	2022 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	74	44
Legal and other fees on constitutional matters	-	1
Other governance costs	90	87
	164	132

University College
Notes to the financial statements
For the year ended 31 July 2023

5 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS (CONTINUED)

No amount has been included in governance costs for the direct employment costs or reimbursed expenses of the College's Teaching Fellows on the basis that these payments relate to the Fellows involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

6 GRANTS AND AWARDS	2023	2022
	£'000	£'000

During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:

Unrestricted funds

Grants to individuals:

Scholarships, prizes and grants	254	259
Bursaries and hardship awards	36	37
Total unrestricted	290	296

Restricted funds

Grants to individuals:

Scholarships, prizes and grants	1,000	887
Bursaries and hardship awards	382	219
Total restricted	1,382	1,106

Total grants and awards	1,672	1,402
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Within the total grants and awards figure of £1,672k above, is the cost to the College of the Oxford Bursary scheme of £74k (2022:£82k). Students of this college received £73k (2022: £62k).

The above costs are included within the charitable expenditure on Teaching, Research and Residential.

The College has opted to take the exemption available for charity trusts registered in England and Wales to not disclose the names of grant recipients.

7 STAFF COSTS

The aggregate staff costs for the year were as follows.	2023	2022
	£'000	£'000

Salaries and wages	5,539	5,297
Social security costs	548	493
Pension costs:		
Defined benefit schemes	991	934
Increase/(Decrease) in Pension deficit recovery plan liability	(880)	1,574
Other benefits	285	247
	6,483	8,545

A termination payment of £1,713 was paid to one member of staff during the year (2022: £nil).

The average number of employees of the College, excluding Trustees,	2023	2022
Tuition and research	47	51
College residential	94	94
Fundraising	11	11
Support	18	18
Total	170	174

The average number of employed College Trustees during the year was as follows.

University Lecturers	22	24
CUF Lecturers	7	7
Other teaching and research	10	5
Other	6	6
Total	45	42

University College
Notes to the financial statements
For the year ended 31 July 2023

7 STAFF COSTS (CONTINUED)

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

The number of employees (not covered in Note 19) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

	2023	2022
£60,001-£70,000	1	2
£70,001-£80,000	1	1
£110,001-£120,000	1	-
	3	3

The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	2	3
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8 TANGIBLE FIXED ASSETS

Group and College	Assets under construction	Land and Buildings: General	Fixtures, fittings and equipment	Total £'000
	£'000	£'000	£'000	
Cost or deemed cost				
At start of year	8,112	58,878	2,599	69,589
Additions	5,559	419	45	6,023
Disposals	-	(182)	-	(182)
At end of year	13,671	59,115	2,644	75,430
Depreciation and impairment				
At start of year	-	7,498	2,377	9,875
Depreciation charge for the year	-	740	97	837
Depreciation on disposals	-	(18)	-	(18)
At end of year	-	8,220	2,474	10,694
Net book value				
At end of year	13,671	50,895	170	64,736
At start of year	8,112	51,380	222	59,714

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.

9 PROPERTY INVESTMENTS

	Agricultural £'000	Commercial £'000	2023 Total £'000	2022 Total £'000
Valuation at start of year	12,246	70,142	82,388	75,699
Additions and improvements at cost	-	640	640	-
Transfers from Tangible Fixed Assets	-	-	-	1,570
Revaluation gains/(losses) in the year	862	(3,140)	(2,278)	5,119
Valuation at end of year	13,108	67,642	80,750	82,388

Estates land and property valuations as at 31 July 2023 have been made by the College's land agents, three independent firms of Chartered Surveyors: Cluttons, Carter Jonas and Stephenson & Son. The basis of valuation being market valuation i.e. the estimated amount for which the asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Either an income valuation approach, capitalising the anticipated future rental income at appropriate multiplier(s) and/or the market approach adopting a capital value per unit of measurement based on market transactional evidence has been followed. The resulting values have been checked against recent market evidence derived from comparable transactions.

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10 OTHER INVESTMENTS

All investments are held at fair value.

	2023 £'000	2022 £'000
Group and College		
Valuation at start of year	124,504	120,528
New money invested	17,393	28,491
Amounts withdrawn	(16,191)	(20,157)
Increase in cash held by fund manager	993	(3,345)
Increase in value of investments	1,176	(1,013)
Investments at end of year	127,875	124,504

Group and College Investments comprise:	Held outside the UK		Held in the UK		2023 Total		2022 Total	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Equity investments	24,906	10,896	35,802	23,118	10,100	33,218		
Global equity funds	28,254	4,703	32,957	27,560	4,631	32,191		
Property funds	-	13,385	13,385	-	10,201	10,201		
Fixed interest stocks	14,345	7,281	21,626	15,222	7,004	22,226		
Alternative and other investments	1,587	715	2,302	2,108	3,751	5,859		
Fixed term deposits and cash	-	21,803	21,803	-	20,809	20,809		
Total investments	69,092	58,783	127,875	68,008	56,496	124,504		

11 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in UnivDevCo Limited, a company providing design and build construction services to the College.

The results and their assets and liabilities of the parent and subsidiaries at the year end were as follows.

	2023 Parent College £'000	2023 UnivDevCo Limited £'000	2022 Parent College £'000	2022 UnivDevCo Limited £'000
Income	18,465	8,002	23,196	1,843
Expenditure	(16,513)	(7,777)	(16,601)	(1,789)
Donation to College under gift aid	54	(54)	-	-
Net result before investments gains	<u>2,006</u>	<u>171</u>	<u>6,595</u>	<u>54</u>
Total assets	303,961	3,414	297,612	364
Total liabilities	(65,647)	(3,243)	(60,208)	(310)
Net funds at the end of year	<u>238,314</u>	<u>171</u>	<u>237,404</u>	<u>54</u>

12 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2020. The investment return to be applied as income is calculated as 3.5% of the average of the inflation adjusted year-end values of the relevant investments in each of the last 3 years. The preserved value of the invested endowment capital represents its fair value in 2003 together with all subsequent endowments valued at date of the gift.

	Permanent Endowment		Expendable Endowment		Total Endowments
	Trust for Investment	Unapplied Total Return	Total	£'000	£'000
	£'000	£'000	£'000		
At the beginning of the year:					
Gift component of the permanent endowment	57,910		57,910		57,910
Unapplied total return		50,831	50,831		50,831
Expendable endowment				38,334	38,334
Total Endowments	57,910	50,831	108,741	38,334	147,075
Movements in the reporting period:					
Gift of endowment funds	3		3	700	703
Recoupment of trust for investment		-	-		-
Allocation from trust for investment	-	-	-		-
Investment return: total investment income		2,191	2,191	2,476	4,667
Investment return: realised and unrealised gains and losses		(1,255)	(1,255)	30	(1,225)
Less: Investment management costs		(520)	(520)	(430)	(950)
Other transfers		-	-		-
Total	3	416	419	2,776	3,195
Unapplied total return allocated to income in the reporting period		(2,873)	(2,873)	(1,312)	(4,185)
Expendable endowments transferred to income		-	-	-	-
		(2,873)	(2,873)	(1,312)	(4,185)
Net movements in reporting period	3	(2,457)	(2,454)	1,464	(990)
At end of the reporting period:					
Gift component of the permanent endowment	57,913	-	57,913		57,913
Unapplied total return		48,374	48,374		48,374
Expendable endowment				39,798	39,798
Total Endowments	57,913	48,374	106,287	39,798	146,085

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13 DEBTORS	2023	Restated	2023	Restated
	Group	2022	College	2022
	£'000	Group	£'000	College
		£'000		£'000
Amounts falling due within one year:				
Trade debtors	299	966	609	966
Amounts owed by College members	423	376	423	376
Amounts owed by Group undertakings	-	-	2,886	364
Loans repayable within one year	143	123	144	123
Prepayments and accrued income	3,023	5,021	3,023	5,021
Other debtors	1,016	495	151	188
	4,904	6,981	7,236	7,038

*Restating relates to the correct disclosure of intra-group balances.

14 CREDITORS: falling due within one year	2023	Restated	2023	Restated
	Group	2022	College	2022
	£'000	Group	£'000	College
		£'000		£'000
Trade creditors	3,364	1,283	3,008	1,283
Amounts owed to Group undertakings	-	-	2,722	-
Taxation and social security	190	154	190	211
Accruals and deferred income	2,311	1,924	2,311	1,924
Other creditors	52	370	51	370
	5,917	3,731	8,282	3,788

*Restating relates to the correct disclosure of intra-group balances.

15 CREDITORS: falling due after more than one year	2023	2022	2023	2022
	Group	Group	College	College
	£'000	£'000	£'000	£'000
AI Duca fairvalue	5,203	3,400	5,203	3,400
Bonds and Senior Note liabilities	49,413	49,413	49,413	49,413
	54,616	52,813	54,616	52,813

On the 1st March 2022 the College entered into two agreements ("AI Duca") whereby philanthropic funding would be provided for the College's North Oxford development and in return the College would commit to distribute the net returns from the development for a minimum of 40, and a maximum of 50 years, to a US University nominated by the funder. The back to back agreements are assessed as being a complex financial instrument and as such the liability under the distribution agreement is calculated at fair value.

Fair value is calculated using a discounted cash flow approach on the model of predicted receipts, net of costs, from the new build rooms at the Univ North development.

On 28 April 2015 the College issued £40m of 3.068% unsecured bonds due April 2065 ("the bonds"). The bonds were issued at par. The proceeds of issue, less directly attributable transaction costs, amounted to £39.472m. Interest is payable on 28 April and 28 October each year. The bonds are listed on the London Stock Exchange. Unless previously redeemed, the bonds will be redeemed at their principal amount of £40m on 28 April 2065.

On 30 March 2017 the College issued an unsecured Senior Note of £10m with an interest rate of 2.53% and repayable on 30 March 2057 ("the note"). The note was issued at par. The proceeds of issue, less directly attributable transaction costs, amounted to £9.836m. Interest is payable on the 30 March and 30 September each year. The note is not listed. Unless previously redeemed, the note will be redeemed at its principal amount of £10m on 30 March 2057.

Both the bond and senior note were initially measured at the proceeds of issue less all transaction costs directly attributable to their issues. After initial recognition, both are measured at amortised cost.

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16 ANALYSIS OF MOVEMENTS ON FUNDS	At 1 August 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2023 £'000
Endowment Funds - Permanent						
Dr Radcliffe's Linton Estate (1714)	13,603	304	(72)	(511)	(174)	13,150
Oxford Radcliffe Scholarships (2013)	12,636	247	(59)	(477)	(141)	12,206
Univ 20/20 Strategy (2007)	8,107	131	(31)	-	(75)	8,132
Univ 20/20 Endowment (2007)	5,803	133	(32)	(218)	(76)	5,610
Radcliffe Travelling Fellow(1858)	7,148	133	(32)	-	(76)	7,173
J G Weir (1954)	5,172	113	(27)	(194)	(65)	4,999
John Freeston Trust (1592)	3,070	69	(16)	(115)	(39)	2,969
Maintenance Trust Fund (1932)	2,258	50	(12)	(85)	(29)	2,182
Sir E A Wallis Budge (1935)	2,200	46	(11)	(16)	(26)	2,193
Sanderson Modern History Fellow (2012)	1,995	44	(10)	(54)	(25)	1,950
Harold Salvesen Junior Fellow (1964)	1,887	31	(7)	-	(18)	1,893
Margaret Candfield English (1997)	1,844	40	(9)	(64)	(23)	1,788
McConnell Laing Classics (1999)	1,831	43	(10)	(69)	(24)	1,771
The Bouverie Trust (1979)	1,609	-	-	-	-	1,609
Oxford Chellgren Graduate Scholarship (2011)	1,620	32	(8)	(32)	(18)	1,594
Tacchi Fellowship (2008)	1,496	35	(8)	(56)	(20)	1,447
Dunhill Foundation Trust (1988)	1,499	33	(8)	-	(19)	1,505
Goodman Fellowship Fund (1986)	1,483	26	(6)	-	(15)	1,488
Schrecker Slavonic Studies (2007)	1,440	32	(7)	(54)	(18)	1,393
O.M. Organic Chemistry Fellow (1990)	1,429	32	(8)	(54)	(18)	1,381
Scott JRF Fund (2001)	1,420	33	(8)	(12)	(19)	1,414
Swire Graduate History Scholarship (2012)	1,333	29	(7)	(34)	(17)	1,304
Oxford Anderson History Graduate Scholarship (2014)	1,289	34	(8)	(48)	(19)	1,248
Modern History Fund (1999)	1,242	25	(6)	(47)	(14)	1,200
Robert Mynors (1922)	1,246	28	(6)	(47)	(16)	1,205
Modern History Fund II (2001)	1,240	35	(9)	(46)	(20)	1,200
Rayne Physics (1980)	1,118	25	(6)	(42)	(14)	1,081
Oxford Burma Graduate Scholarship (2016)	1,097	25	(6)	(38)	(14)	1,064
Pye Fellowship (1998)	1,079	24	(6)	(41)	(14)	1,042
Levison Physics (1996)	1,065	24	(6)	(40)	(14)	1,029
Henni Mester (2005)	1,002	19	(5)	(12)	(11)	993
43 Other Funds	17,480	319	(74)	(467)	(184)	17,074
Endowment Funds - Expendable						
Univ. Capital Fund	23,281	2,153	(355)	(815)	214	24,478
Hoffman Law Fellowship	1,939	46	(11)	(73)	(26)	1,875
Oxford-Univ-Rhodes Graduate Scholarship (2017)	1,639	67	(12)	(60)	(29)	1,605
Beacon Programme (2022)	1,319	115	(7)	(15)	(17)	1,395
Ivana and Pavel Tykac Fellowship in Czech (2017)	1,153	7	(2)	(28)	(4)	1,126
Centenary Visiting Professorship in PPE(2022)	560	493	(2)	(10)	(3)	1,038
44 Other Funds	8,443	295	(42)	(311)	(105)	8,280
						-
Total Endowment Funds	147,075	5,370	(951)	(4,185)	(1,225)	146,084
Endowment funds held by subsidiaries	-	-	-	-	-	-
Total Endowment Funds - Group	147,075	5,370	(951)	(4,185)	(1,225)	146,084
Restricted Funds						
Univ North Fund (2019)	11,273	702	-	-	-	11,975
Geary Hill Fund (1987)	1,709	36	(45)	-	(20)	1,680
57 Other Funds	4,187	793	(6,147)	4,185	(25)	2,993
Total Restricted Funds	17,169	1,531	(6,192)	4,185	(45)	16,648
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	17,169	1,531	(6,192)	4,185	(45)	16,648
	At 1 August 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2023 £'000
Unrestricted Funds						
General	4,020	11,401	(9,145)	(2,444)	168	4,000
Revaluation reserve	924	-	-	-	-	924
Fixed Asset Designated Fund	54,317	-	-	203	-	54,520
Univ North Designated Fund	8,298	-	-	2,243	-	10,541
Master's Stipend Fund	1,210	-	-	-	-	1,210
Overbrook Foundation	1,017	-	-	-	-	1,017
17 Other Funds	3,374	-	-	(2)	-	3,372
Total Unrestricted Funds	73,160	11,401	(9,145)	-	168	75,584
Unrestricted funds held by subsidiaries	6	165	-	-	-	171
Total Unrestricted Funds - Group	73,166	11,566	(9,145)	-	168	75,755
Total Funds	237,410	18,467	(16,289)	-	(1,102)	238,486

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17 FUNDS OF THE COLLEGE DETAILS

The following is a summary of the origins and purposes of each of the Funds

Dr Radcliffe's Linton Estate (1714) fund established out of the legacy of Dr John Radcliffe in 1714 to support a variety of College activities.
Oxford Radcliffe Scholarships (2013) fund established to endow graduate scholarships.
Univ 20/20 Strategy (2007) established as part of the College's re-endowment campaign to provide support for the college's strategy.
J G Weir (1954) fund established to provide for a fellowship for the purposes of teaching or research.
Univ 20/20 Endowment (2007) established as part of the College's re-endowment campaign to provide a new permanent endowment fund.
Radcliffe Travelling Fellow (1858) fund established to provide for medical research fellowships.
John Freeston Trust (1592) fund established out of the legacy of John Freeston in 1592 to support the College and Normanton Grammar School.
Maintenance Trust Fund (1932) provides for the income of the fund to be applied for or towards the upkeep, maintenance and repair of the College buildings and properties.
Sir E A Wallis Budge (1935) fund established out of bequest of Sir Wallis Budge in 1935 to found a scholarship fellowship or lectureship in Egyptology.
The Bouverie Trust (1979) fund established to support the study of English at the College.
Sanderson Modern History Fellow (2012) fund established to endow a fellowship in Modern History.
McConnell Laing Classics (1999) established as part of the College's 750th anniversary campaign to provide for a fellowship in Classics.
Margaret Candfield English Fellowship established in 1997 to provide for a fellowship in English.
Tacchi Fellowship Fund established in 2008 to provide for a fellowship at the College.
Dunhill Foundation Trust (1988) fund established in 1988 to provide for a fellowship at the College in Physiology.
Schrecker Slavonic Studies (2007) fund established in 2007 to provide support for Slavonic Studies at the College by endowing the Schrecker-Barbour Fellowship in Slavonic & Eastern European Studies.
O.M. Organic Chemistry Fellow fund established in 1990 through the generosity of Old Members' of the College to provide a fellowship in Organic Chemistry.
Harold Salvesen Junior Fellow (1964) fund established to endow a junior fellowship at the College.
Swire Graduate History Scholarship (2012) fund for graduate scholarships.
Scott JRF (2001) fund established to endow two junior research fellowships at the College.
Modern History Fellowship (1999) fund established to support tutorial fellowship in History.
Robert Mynors (1922) fund exists to support a fellowship in Social Sciences.
Goodman Fellowship (1986) fund exists to support a fellowship in Jurisprudence.
Rayne Physics (1980) fund exists to support physics.
Modern History Fellowship II (2001) fund exists to support a fellowship in Modern History.
Oxford Burma Graduate Scholarship (2016) fund for graduate scholarships.
Pye Fellowship (1998) fund exists to support a fellowship in Mathematics.
Oxford Anderson History Graduate Scholarship (2014) fund for graduate scholarships.
Levison Physics (1996) fund for the support of physics.

Endowment Funds - Expendable:

Univ. Capital Fund is the consolidation of gifts and donations which can be used for the general purposes of the College.
Oxford-Univ-Rhodes Graduate Scholarship (2017) fund for graduate scholarships.
Hoffman Law Fellowship fund established to support the costs of a fellow in Law.
Centenary Visiting Professorship in PPE (2022) fund established to support the costs of the Visiting Professorship in PPE.

Restricted Funds:

Geary Hill Fund (1987) established to provide a fund for the benefit of the undergraduates at the College.
Radcliffe Travelling Fellow (1858) income fund established to provide for medical research fellowships.
Univ North (2019) established to provide for the development of the North Oxford site.

Unrestricted Funds:

General fund represents the accumulated income from the College's activities and other sources that are available for the general purposes of the College. £4.1m has been earmarked to date for the redevelopment & expansion of the North Oxford College site.
Fixed Asset Designated fund represented by the fixed assets of the College and therefore are not available for expenditure on the College's general purposes. Transfers are made from the College Capital Fund to match unfunded fixed asset purchases.
Univ North Designated Fund is designated for the costs of the North Oxford project.
Master's Stipend Fund is designated for provision of the stipend of the Master of the College.
Overbrook Foundation fund is used at the discretion of the Master to support a range of educational and research projects.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2023 Total £'000
Tangible fixed assets	64,736	-	-	64,736
Property investments	21,803	-	58,947	80,750
Other investments	32,657	8,081	87,137	127,875
Net current assets	13,902	8,567	-	22,469
Long term liabilities	(57,343)	-	-	(57,343)
	<u>75,755</u>	<u>16,648</u>	<u>146,084</u>	<u>238,487</u>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2022 Total £'000
Tangible fixed assets	59,714	-	-	59,714
Property investments	22,245	-	60,143	82,388
Other investments	30,831	6,741	86,932	124,504
Net current assets	16,796	10,428	-	27,224
Long term liabilities	(56,420)	-	-	(56,420)
	<u>73,166</u>	<u>17,169</u>	<u>147,075</u>	<u>237,410</u>

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19 TRUSTEES' REMUNERATION

The trustees of the College comprise the Governing Body. The Governing Body is constituted from employees of the College who also fulfil teaching and research obligations or management duties.

No trustee receives any remuneration for acting as a trustee.

The remunerations listed below arise solely from their employed duties as tutorial fellows or managers of executive or pastoral activity for the benefit of the College and its members. The disclosures below should be read in this context.

Tutorial fellows are paid on the College's scale according to skill and experience, with most also being a joint appointment with the University of Oxford.

The College's Remuneration Committee makes authoritative recommendations on all matters involving trustees and comprises the Master, the Finance Bursar, the Senior Tutor, a Professorial Fellow and three external members and considers amendments to the College Scale and other stipends and allowances generally following national pay awards. It is appropriately reconstituted when the remuneration of member officers is considered from time to time, informed by competitive benchmarks and University salary scales.

Trustees of the College fall into the following categories:

- Tutorial Fellows
- Professorial Fellows
- Supernumerary Fellows
- Senior Research Fellows
- Chaplain
- Key Management

The key management comprise 5 employees who are also trustees; The Master, Finance Bursar, Domestic Bursar, Senior Tutor and the Development Director who work full time on management or fundraising.

Some Trustees who are Tutorial fellows now receive a Fellows Allowance (included in the remuneration figure below) but have no right to accommodation in College housing. 2 trustees live in the College or College owned houses or flats. 2 trustees live in houses owned jointly with the College. Some trustees receive additional allowances for additional work carried out as part time college officers, e.g. Dean. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits as shown below is £1,726k (2022:£1,638k).

The total of pension contributions is £315k (2022:£290k).

The following table sets out the remuneration received as employees of the College (and for the avoidance of doubt, not for acting as trustees):

Trustee Name & Position	Remuneration	Taxable Benefits	Pension Contributions	2023	2022
				Total	Total
	£	£	£	£	£
Dr W Allan - Tutorial Fellow	56,028	2,096	13,961	72,085	56,735
Baroness V Amos - Master	118,800	12,434	25,337	156,571	147,373
Dr R Ashdowne - Assistant Senior Tutor	43,625	-	9,243	52,868	49,219
Dr M Barnes - Tutorial Fellow	24,160	2,096	5,190	31,446	28,554
Ms R Baxter - Development Director**	66,116	-	13,957	80,073	-
Dr A Bell - Senior Tutor	88,347	-	18,759	107,106	105,688
Professor M Benedikt - Supernumerary Fellow	-	838	-	838	740
Professor J Benesch - Tutorial Fellow	25,127	1,677	5,190	31,994	29,945
Dr J Bryson - Tutorial Fellow	24,250	-	5,190	29,440	26,702
Professor R Chang - Professorial Fellow **	-	838	-	838	1,481
Professor T W Child - Tutorial Fellow	25,750	-	1,583	27,333	27,136
Dr R Chitnis - Tutorial Fellow	8,022	-	1,733	9,755	13,069
Dr S Collins - Tutorial Fellow	9,163	1,677	1,979	12,819	36,011
Mr G J Cox - Development Director **	-	-	-	-	48,115
Dr K L Dorrington - Tutorial Fellow **	-	-	-	-	7,055
Dr AJC Ellis-Evans - Tutorial Fellow *	56,579	-	12,221	68,800	-
Dr M R Filip - Tutorial Fellow	22,594	1,886	5,190	29,670	25,101
Dr M Galpin - Supernumerary Fellow	9,576	838	1,801	12,215	11,678
Dr A I Grant - Finance Bursar	106,139	1,677	-	107,816	101,080
Revd Dr A Gregory - Chaplain	63,356	2,096	13,423	78,875	82,313
Professor N Halmi - Tutorial Fellow	28,996	838	6,243	36,077	33,052
Professor J D Hamkins - Tutorial Fellow **	-	-	-	-	30,739
Professor J Hein - Professorial Fellow	-	2,012	-	2,012	740
Professor G M Henderson - Senior Research Fellow	2,967	2,096	-	5,063	4,648
Dr C J Holmes - Tutorial Fellow	54,429	2,096	11,757	68,282	63,690
Professor P D Howell - Tutorial Fellow	27,211	2,096	5,190	34,497	29,179
Dr B Jackson - Tutorial Fellow	57,338	2,096	12,385	71,819	70,852
Dr I Jacobs - Supernumerary Fellow	-	838	-	838	740
Professor P Jezzard - Professorial Fellow	6,123	-	1,322	7,445	6,938
Professor A Johnston - Tutorial Fellow	54,999	6,066	11,880	72,945	71,340
Dr P Jones - Tutorial Fellow	30,058	1,258	6,343	37,659	30,444
Dr L Kallet - Tutorial Fellow **	-	-	-	-	18,305
Professor A Ker - Tutorial Fellow	30,131	838	6,495	37,464	33,431

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19 TRUSTEES' REMUNERATION (CONTINUED)	Remuneration £	Benefits £	Contributions £	Total £	Total £
Dr B Klin - Tutorial Fellow	24,831	-	5,364	30,195	34,013
Dr C Leaver - Supernumerary Fellow	-	838	-	838	740
Professor D Logan - Professorial Fellow	-	4,025	-	4,025	1,852
Professor S Mavroeidis - Tutorial Fellow	11,927	14,488	2,400	28,815	30,603
Dr K Milewicz - Tutorial Fellow **	-	-	-	-	18,628
Dr N Moneke - Tutorial Fellow	24,483	838	5,190	30,511	27,947
Dr J E S Moshenska - Tutorial Fellow	55,786	2,096	12,192	70,074	69,410
Dr B Mount - Tutorial Fellow**	-	-	-	-	-
Mrs F Nasser- Director of Development**	-	-	-	-	-
Professor R J Nicholas - Tutorial Fellow **	-	-	-	-	5,871
Dr N Nikolov - Tutorial Fellow	19,513	6,577	3,807	29,897	29,813
Dr C J Pears - Tutorial Fellow	23,276	2,096	1,454	26,826	27,910
Professor T Povey - Tutorial Fellow	24,027	1,677	5,190	30,894	28,374
Dr P Rebeschini - Tutorial Fellow	24,027	2,096	5,190	31,313	29,520
Professor R Rickaby - Professorial Fellow	-	-	-	-	-
Professor A W Roscoe - Senior Research Fellow	2,828	4,025	611	7,464	4,781
Professor J Rowbottom - Tutorial Fellow	52,941	2,096	11,757	66,794	64,078
Dr M Schentuleit - Supernumerary Fellow	3,146	-	676	3,822	3,686
Professor G Screation - Professorial Fellow	-	-	-	-	-
Professor T Sharp - Tutorial Fellow	24,027	2,096	5,190	31,313	28,554
Professor A Smith - Professorial Fellow	-	2,096	-	2,096	1,852
Dr M D Smith - Tutorial Fellow	26,936	838	5,818	33,592	31,062
Dr S Smith - Tutorial Fellow	24,027	838	5,190	30,055	32,954
Dr N Talbot - Supernumerary Fellow	17,274	-	3,602	20,876	16,953
Professor TY Tan - Professorial Fellow	-	1,677	-	1,677	1,481
Professor C Terquem - Tutorial Fellow	24,199	2,096	5,190	31,485	30,925
Professor S C Tsang - Tutorial Fellow	26,749	-	5,190	31,939	34,547
Mrs A Unsworth - Domestic Bursar	86,521	2,096	17,817	106,434	107,880
Dr N Vince - Tutorial Fellow *	47,113	6,417	10,176	63,706	-
Professor J F Wheeler - Senior Research Fellow	-	1,677	-	1,677	1,481
Professor N Woods - Senior Research Fellow	2,909	1,258	628	4,795	4,506
Professor N Yeung - Tutorial Fellow	27,350	2,278	5,625	35,253	40,524
Professor O Zimmer - Tutorial Fellow **	-	-	-	-	25,726
	1,613,773	112,606	314,627	2,041,004	1,927,764

* - joiner during the year and/or before approval of the financial statements -see pages 2-4

** - leaver during the year or prior year and before approval of the financial statements - see pages 2-4

Other transactions with trustees

No trustee claimed expenses for any work performed in discharge of duties as a trustee.
See also note 29 Related Party Transactions.

Key management remuneration

The total remuneration paid to key management was £617k (2022: £620k).

Key management are considered to be The Master, the Senior Tutor, the Finance Bursar, the Domestic Bursar and the Development Director.

20 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf of its staff. Both schemes are hybrid pension schemes providing defined benefits as well as benefits based on defined contributions. The assets of USS and OSPS are each held in separate trustee-administered funds. The College has made available the National Employment Savings Trust for non-employees who are eligible under automatic enrolment regulations to pension benefits.

Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

Both schemes have put in place agreements for additional contributions to fund their past service deficits. In accordance with the provisions of FRS 102 the College has recognised a liability for the future contributions that it estimates will be payable as a result of these deficit funding agreements - see below.

20 PENSION SCHEMES (CONTINUED)

Actuarial Valuations

Qualified actuaries periodically value USS and OSPS defined benefits using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results were:

	USS	OSPS
Date of valuation:	31/03/2020	31/03/2022
Date valuation results published:	30/09/2021	27/06/2023
Value of liabilities:	£80.6bn	£914m
Value of assets:	£66.5bn	£961m
Funding surplus / (deficit):	(£14.1bn)	£47m
Principal assumptions:		
- Discount rate	Fixed Interest gilt yield curve plus 1% - 2.75% (a)	Gilts +0.5%- 2.25% (b)
- Rate of increase in salaries	n/a	RPI
- Rate of increase in pensions	CPI +0.05% (c)	Average RPI/CPI (d)
Assumed life expectancies on retirement at age 65:		
- Males currently aged 65	24.0 yrs	
- Females currently aged 65	25.6 yrs	
- Males currently aged 45	26.0 yrs	
- Females currently aged 45	27.4 yrs	
Funding Ratios:		
- Technical provisions basis	83%	105%
- Statutory Pension Protection Fund basis	64%	98%
- 'Buy-out' basis	51%	62%
Employer contribution rate (as % of pensionable salaries):	21.1% to 21.6% from 1 April 22	19% down to 16.5% for DB members from 1 Oct 23
Effective date of next valuation:	31/03/2023	31/03/2025

(a). The discount rate (forward rates) for the USS valuation was:

Fixed interest gilt yield curve plus: Pre-retirement 2.75%, post-retirement 1.00%

(b). The discount rate for the OSPS valuation was:

Pre-retirement: Equal to the UK nominal gilt curve at the valuation date plus 2.25% p.a. at each term
Post-retirement: Equal to the UK nominal gilt curve at the valuation date plus 0.5% p.a. at each term.

(c). Pensions increases (CPI) for the USS valuation were:

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long term difference of 0.1% from 2040.

(d). Increases to pensions in payment for the OSPS valuation were:

RPI inflation is derived from the geometric difference between the UK nominal gilt curve and the UK index-linked curve at the valuation date, less 0.3% p.a. at each term pre-2030 and 1.0% p.a. post-2030. CPI inflation is derived from the RPI inflation assumption, less the Scheme Actuary's best estimate of the long-term difference between RPI and CPI inflation as applies from time to time (1.0% p.a. pre-2030 and 0.1% p.a. post-2030.)

For pension increases linked to inflation, a pension increase curve is constructed based on either the RPI, CPI or the average of the RPI and CPI inflation curves described above, adjusted to allow for the different maximum and minimum annual increases that apply, and the Scheme Actuary's best estimate of inflation volatility as applies from time to time.

(e). The USS and OSPS employer contribution rates include provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions.

The pension charge for the year includes £433k (2022: £2,231k) in relation to the USS. This represents contributions of £668k (2022: £625k) payable to the USS as adjusted by the decrease in the deficit funding liability between the opening and closing balance sheet dates of £235k (2022: Increase £1,606k).

A provision of £2,705k has been made at 31 July 2023 (2022: £2,940k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will have an increase in membership of 1% in year 1 and 1% thereafter. It has been assumed that relevant earnings of these employees will increase by 5% in year 1, and 3% thereafter. An average discount rate of 5.52% over the period to 31 March 2028 has been used.

Oxford Staff Pension Scheme

The pension charge for the year includes a credit of £322k (2022: £276k) in relation to the OSPS. This represents contributions of £323k (2022: £309k) payable to the OSPS as adjusted by the decrease in the deficit funding liability between the opening and closing balance sheet dates of £645k (2022: £32k).

The deficit funding plan for OSPS ended on 30 September 2023, and hence the liability reduced dramatically to just £21k as at 31 July 2023 (2022: £667k) for the present value of the estimated future deficit funding element of the contributions payable over the remaining two months (not discounted given their closeness to the balance sheet date).

University College
Notes to the financial statements
For the year ended 31 July 2023

21 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes.

22 FINANCIAL INSTRUMENTS

The College's and Group's financial statements include the following in respect of their financial instruments:

	2023	2022	2023	2022
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Financial assets at fair value through statement of financial activities:				
Investments	127,875	124,504	127,875	124,504
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	299	966	609	966
Amounts owed by College members	423	376	423	376
Amounts owed by Group undertakings	-	-	2,886	364
Loans repayable within one year	143	123	144	123
Accrued income	2,744	4,859	2,744	4,859
Cash and cash equivalents	23,408	23,901	23,270	23,895
	27,017	30,225	30,076	30,583
Financial Liabilities measured at fair value through statement of financial activities:				
	5,203	3,400	5,203	3,400
	5,203	3,400	5,203	3,400
Financial liabilities that are debt instruments measured at amortised cost:				
Trade creditors	3,364	1,283	3,008	1,283
Amounts owed to Group undertakings	-	-	2,722	-
Taxation and social security	190	211	190	211
Accruals	1,596	724	1,596	1,200
Other creditors	52	370	51	370
Long term creditors	54,616	52,813	54,616	52,813
	59,818	55,401	62,183	55,877

University College
Notes to the financial statements
For the year ended 31 July 2023

23 FINANCIAL INSTRUMENTS RISK

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 22. The main types of risk are (i) market risk, (ii) credit risk, (iii) liquidity risk, (iv) interest rate risk and (v) Other risk.

(i) Market Risk Analysis

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk, and certain other price risks, which result both from its operating and investing activities.

Foreign Currency Sensitivity

Most of the Group's operating transactions are carried out in pounds sterling. Exposure to currency exchange rates arise from the Group's purchases and sales of investments denominated in foreign currencies. To mitigate the Group's exposure to foreign currency risk the Investment Committee monitor regularly and review the currency allocations and recommend rebalancing. Forward exchange contracts are only entered into for significant long-term foreign currency exposures that are not expected to be offset by other same-currency transactions. There were no forward exchange contracts at 31 July 2023 or 31 July 2022.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to the Investment Committee translated into pounds sterling at the closing rate.

At 31 July the Group's and College's investment assets had the following principal exposures

	2023	2022
Pounds sterling	58.7%	63.0%
US dollar	30.4%	28.4%
Japanese Yen	7.3%	5.6%
Other currencies	3.6%	3.0%
	100.0%	100.0%

	USD £'000	Yen £'000	Other £'000	Total £'000
31 July 2023				
Financial assets	38,101	9,197	4,530	51,828
Financial liabilities	-	-	-	-
Total Exposure	38,101	9,197	4,530	51,828

Impact on the net movement of funds for the year 2022/23

10% US dollar appreciation	3,810
10% Yen appreciation	920

	USD £'000	Yen £'000	Other £'000	Total £'000
31 July 2022				
Financial assets	42,140	8,378	4,445	54,963
Financial liabilities	-	-	-	-
Total Exposure	42,140	8,378	4,445	54,963

Impact on the net movement of funds for the year 2021/22

10% US dollar appreciation	4,214
10% Euro appreciation	838

Risk Management policies and procedures

Currency positions in the investment portfolio are reviewed regularly by the Finance Bursar and monitored by the Investment Committee. Currency exposure is managed within the asset allocation strategy.

(ii) Credit risk

Credit risk is the risk that the Group and College would incur a financial loss if a counterparty were to fail to discharge its obligations to the Group and College.

Credit risk exposure

The Group and College is exposed to credit risk in respect of its financial assets held with various counterparties. The following table details the maximum exposure to credit risk at 31 July:

	2023 £'000	2022 £'000
Equity investments	68,759	65,409
Property funds	13,385	10,201
Fixed interest stocks	21,626	22,226
Alternative and other investments	2,302	5,859
Cash & Cash equivalents	45,211	44,704
Trade and other receivables	7,236	7,038
Total financial assets exposed to credit risk	158,519	155,437

Risk management policies and procedures

The Group and College aims to minimise its counterparty credit risk exposure by monitoring the size of its credit exposure to, and the creditworthiness of, counterparties and other counterparties with whom long term commercial commitments have been made, including setting exposure limits and maturities within its investment portfolio primarily. The creditworthiness and financial strength of trading customers e.g. new tenants, is assessed at inception. All new students have to provide a financial guarantee statement indicating the availability of funds to meet fees and living costs. Counterparties for investment assets and bank accounts are selected based on their financial ratings, regulatory environments and specific circumstances. Over 49% of the Cash & Cash equivalents total is held at HSBC Bank plc that has a S&P's long term credit rating of A+. Of the fixed interest stocks, the College's diverse portfolio of Corporate debt is held with average credit rating of A- and no holdings worse than BBB while its Sovereign and high quality agency debt is held mostly in AAA and an average credit ratio of this part of the portfolio of AAA.

University College
Notes to the financial statements
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23 FINANCIAL INSTRUMENTS RISK (CONTINUED)

(iii) Liquidity Risk

Liquidity risk is the risk that the Group and the College will encounter difficulties raising cash to meet its obligations when they fall due. Obligations are associated with financial liabilities and capital commitments.

The majority of the investment assets by the College are investments in quoted securities and in funds that are readily realisable. The College regularly monitors its liabilities and commitments and ensures it holds appropriate levels of liquid assets.

The following table summarise the maturity of the College's undiscounted contractual payments

	Three months or less	Between three months and a year	Between one and five years	More than five years	Total
	£'000	£'000	£'000	£'000	£'000
As at 31 July 2023					
Bonds and Senior Note liabilities	740	740	5,921	102,743	110,144
Other creditors	5,307	-	-	-	5,307
Total at 31 July 2023	6,047	740	5,921	102,743	115,451
As at 31 July 2022					
Bonds and Senior Note liabilities	740	740	5,921	104,234	111,635
Other creditors	1,271	-	-	-	1,271
Total at 31 July 2022	2,011	740	5,921	104,234	112,906

Risk management policies and procedures

(iv) Interest rate risk

Interest rate risk arises from the risk that the value of an asset or liability will fluctuate due to changes in market interest rates (i.e. for fixed interest rate assets or liabilities) or that future cash flows will fluctuate due to changes in interest rates (i.e. for floating rate assets or liabilities).

Interest rate exposure and sensitivity

As stated in the accounting policies, the College's bond liabilities are measured at amortised cost. The College has only minimal amounts held on variable rate.

Interest rate risk is focused on the potential impact of interest rate changes on the fair value of investments in fixed interest securities.

At 31 July 2023 the College held £21.6m (2022: £22.2m) of government bonds with fixed interest.

Risk management policies and procedures

The College takes into account the possible effects of a change in interest rates on fair value and cash flows of the interest-bearing financial assets and liabilities when making investment decisions.

(v) Other price risk

Price risk is the risk that the value of an asset or liability will fluctuate due to changes in market price (other than those arising from currency risk or interest rate risk), caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

This is a key risk for the College because of the significance of the endowment funds in supporting the academic activities of the College and the requirement to maintain their value in real terms into the future.

At 31 July 2023 total endowment funds were £146.1m (2022: £147.1m) - see notes 16 & 17 for further detail on the endowment funds.

Concentration of exposure to other price risk

As the majority of the College's investment assets are carried at fair value, all changes in market conditions will directly affect the College's net assets. The split of investment assets at the reporting date is shown in notes 9 & 10.

Fair Value

Debtors and current liabilities are stated in the balance sheet at amortised cost (except for the new liability under the distribution agreement related to the funding of the College's North Oxford development - see below) which are not materially different from their fair values. The bond liabilities are also measured at amortised cost which is not materially different from fair value. The amortised cost of the other financial assets and liabilities shown on the balance sheet are the same as the fair value.

Complex Financial Instruments

On the 1st March 2022 the College entered into two agreements ("Al Duca") whereby philanthropic funding would be provided for the College's North Oxford development and in return the College would commit to distribute the net returns from the development for a minimum of 40, and a maximum of 50 years, to a US University nominated by the funder. The back to back agreements are assessed as being a complex financial instrument and as such the liability under the distribution agreement is calculated at fair value.

Fair value is calculated using a discounted cash flow approach on the model of predicted receipts, net of costs, from the new build rooms at the Univ North development.

For the initial fair value calculation on receipt of the first payment in April 2022 a discount rate of 3.5% was determined and used. As at 31 July 2022 the discount rate used was adjusted to 3.8% due to movements in 30 yr gilt rates.

A discount rate of 5.0% was used to calculate the fair value of the receipt in December 2022 and for 31 July 2023 the discount rate used was 6.0%, the adjustments being exclusively due to movements in 30 yr gilt rates.

Amounts included in the financial statements are as follows:

	£'000
Fair value as at 31 July 2022 brought forward	3,400
Fair value of receipt of second payment in December 2022	2,763
Finance credit following fair value calculation recognised through the SOFA	(960)
Fair value as at 31 July 2023	<u>5,203</u>

The initial difference between the receipt and the fair value of the liability is credited to the SOFA as donation income.

Sensitivity to changes in the discount rate used are set out below:

	Impact on Al Duca Liability £'000
Discount rate	
Increase by 0.6%	(556)
Decrease by 0.6%	<u>648</u>

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Notes to the financial statements
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24 RECONCILIATION OF NET INCOMING RESOURCES TO
NET CASH FLOW FROM OPERATIONS

	2023 £'000	2022 £'000
Net Income	1,077	10,950
Elimination of non-operating cash flows:		
Investment income	(6,483)	(4,988)
Loss/(Gain) on investments	1,102	(4,106)
Endowment donations	(703)	(2,049)
Bonds & Senior Note Interest payable	1,480	1,480
Investment management costs	1,074	1,171
Other exchange loss/(gain)	198	(1,357)
Depreciation	839	819
Loss/(Surplus) on sale of fixed assets	163	(177)
(Increase)/Decrease in stock	(1)	(10)
(Decrease)/Increase in debtors	2,077	(784)
Increase/(Decrease) in creditors	(112)	1,411
Increase/(Decrease) in pension scheme liability	(880)	1,574
Net cash used in operating activities	(169)	3,934

25 ANALYSIS OF CHANGES IN NET DEBT

	At start of year £'000	Cash flows £'000	Foreign Exchange Movements £'000	Other non-cash changes £'000	At end of year £'000
Cash at bank and in hand	23,901	(295)	(198)	-	23,408
Other investments cash	20,809	994	-	-	21,803
Liabilities falling due after more than one year	(52,813)	(4,101)	-	2,298	(54,616)
Total	(8,103)	(3,402)	(198)	2,298	(9,405)

26 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash at bank and in hand	23,408	23,901
Other investments cash	21,803	20,809
Total cash and cash equivalents	45,211	44,710

27 FINANCIAL COMMITMENTS

At 31 July the College had annual commitments under non-cancellable operating leases as follows:

	2023 £'000	2022 £'000
Other		
Expiring within one year	4	7
Expiring between two and five years	16	14
	20	21

27 CAPITAL COMMITMENTS

On the 3rd October 2023 the College through UnivDevCo contracted with SDC for the construction of the 5 new buildings, the renovation of 2 existing buildings and the rejuvenation of heritage orchards at the Univ North site for a total cost of £44.165m. (2022 :£Nil).

28 COMMITMENTS UNDER OPERATING LEASES

The College earns rental income by leasing its properties to tenants under non-cancellable operating leases. Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straightline basis over the period of the lease.

At the balance sheet date the College had contracted with tenants to receive the following future minimum lease payments:

	2023 £'000	2022 £'000
Not later than 1 year	3,955	4,038
Later than 1 year and not later than 5 years	8,416	9,423
Later than 5 years	51,665	54,544
	64,036	68,005

University College
Notes to the financial statements
For the year ended 31 July 2023

29 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102.

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

The College has properties with the following net book values owned jointly with trustees under joint equity ownership agreements between the trustee and the College.

	2023	2022
	£'000	£'000
Professor A Johnston	157	160
Associate Professor N Nikolov	203	207
Total net book value of properties owned jointly with trustees	<u>360</u>	<u>367</u>

All joint equity properties are subject to sale on the departure of the trustee from the College.

During the year a total of £6,186 (2022: £12,731) was paid to children of Trustees for work done as casual workers.

During the 2018-19 year, the College entered into a tenancy-at-will with The Blockhouse Technology Limited ("TBTL") to permit its occupation of 2 Staverton Road, a property in North Oxford that is owned by the College. TBTL's rescindable tenancy in the property may also afford space for the College's research activities into Blockchain technology to operate alongside the commercial activities of TBTL. Professor A W Roscoe, a trustee of the College, is a co-founder of, and a significant shareholder in, TBTL. The tenancy-at-will was established at arm's length, and Professor Roscoe was recused from the College's decision making in this matter. The College is also a shareholder in TBTL.

30 CONTINGENT LIABILITIES

The College had no contingent liabilities at 31 July 2023 (2022: £nil).

31 POST BALANCE SHEET EVENTS

None

University College
Notes to the financial statements
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32 ADDITIONAL PRIOR YEAR COMPARATIVES

a) Statement of Financial Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2022 Total £'000
INCOME AND ENDOWMENTS FROM:				
Charitable activities:				
Teaching, research and residential	7,281	307	-	7,588
Donations and legacies	2,024	6,333	2,049	10,406
Investments				
Investment income	1,235	68	3,685	4,988
Total return allocated to income	-	3,790	(3,790)	-
Other income				
Coronavirus Job Retention Retention Scheme	168	-	-	168
Other	-	-	-	-
Total income	10,708	10,498	1,944	23,150
EXPENDITURE ON:				
Charitable activities:				
Teaching, research and residential	9,163	3,334	-	12,497
Generating funds:				
Fundraising	262	896	-	1,158
Investment management costs	337	14	820	1,171
Interest payable on bond and senior note	1,480	-	-	1,480
Total Expenditure	11,242	4,244	820	16,306
Net Income before gains	(534)	6,254	1,124	6,844
Net gains on investments	476	92	3,538	4,106
Net Income	(58)	6,346	4,662	10,950
Transfers between funds	-	-	-	-
Other recognised gains/losses				
Gains/(losses) on revaluation of fixed assets	924	-	-	924
Net movement in funds for the year	866	6,346	4,662	11,874
Fund balances brought forward	72,300	10,823	142,413	225,536
Funds carried forward at 31 July	73,166	17,169	147,075	237,410

b) Property Investments

	Agricultural £'000	Commercial £'000	2022 Total £'000
Valuation at start of year	11,467	64,232	75,699
Additions and improvements at cost	-	-	-
Transfers from tangible Fixed Assets	-	1,570	1,570
Revaluation losses in the year	779	4,340	5,119
Valuation at end of year	12,246	70,142	82,388

University College
Notes to the financial statements
For the year ended 31 July 2023

32 ADDITIONAL PRIOR YEAR COMPARATIVES (CONTINUED)

c) Analysis of Movement on Funds

	At 1 August 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2022 £'000
Endowment Funds - Permanent						
Dr Radcliffe's Linton Estate (1714)	13,508	268	(52)	(481)	360	13,603
Oxford Radcliffe Scholarships (2013)	12,565	217	(42)	(397)	293	12,636
Univ 20/20 Strategy (2007)	7,858	115	(22)	-	156	8,107
Univ 20/20 Endowment (2007)	5,755	116	(22)	(205)	159	5,803
Radcliffe Travelling Fellow(1858)	6,895	117	(22)	-	158	7,148
J G Weir (1954)	5,141	99	(19)	(183)	134	5,172
John Freeston Trust (1592)	3,049	60	(12)	(108)	81	3,070
Maintenance Trust Fund (1932)	2,243	44	(9)	(80)	60	2,258
Sir E A Wallis Budge (1935)	2,129	40	(8)	(15)	54	2,200
Sanderson Modern History Fellow (2012)	1,950	40	(8)	(40)	53	1,995
Harold Salvesen Junior Fellow (1964)	1,828	27	(5)	-	37	1,887
Margaret Candfield English (1997)	1,827	35	(7)	(58)	47	1,844
McConnell Laing Classics (1999)	1,813	38	(7)	(64)	51	1,831
The Bouverie Trust (1979)	1,609	-	-	-	-	1,609
Oxford Chellgren Graduate Scholarship (2011)	1,587	28	(5)	(28)	38	1,620
Tacchi Fellowship (2008)	1,482	31	(6)	(53)	42	1,496
Dunhill Foundation Trust (1988)	1,445	29	(5)	(9)	39	1,499
Goodman Fellowship Fund (1986)	1,433	23	(4)	-	31	1,483
Schrecker Slavonic Studies (2007)	1,429	29	(5)	(51)	38	1,440
O.M. Organic Chemistry Fellow (1990)	1,419	28	(5)	(51)	38	1,429
Scott JRF Fund (2001)	1,396	29	(6)	(38)	39	1,420
Swire Graduate History Scholarship (2012)	1,293	26	(5)	(15)	34	1,333
Oxford Anderson History Graduate Scholarship (2014)	1,270	30	(6)	(45)	40	1,289
Modern History Fund (1999)	1,237	22	(4)	(44)	31	1,242
Robert Mynors (1922)	1,237	25	(5)	(44)	33	1,246
Modern History Fund II (2001)	1,216	32	(6)	(43)	41	1,240
Rayne Physics (1980)	1,110	22	(4)	(40)	30	1,118
Oxford Burma Graduate Scholarship (2016)	1,085	22	(4)	(36)	30	1,097
Pye Fellowship (1998)	1,071	21	(4)	(38)	29	1,079
Levison Physics (1996)	1,058	21	(4)	(38)	28	1,065
Henni Mester (2005)	982	17	(3)	(17)	23	1,002
43 Other Funds	17,150	418	(54)	(408)	372	17,478
Endowment Funds - Expendable						
Univ. Capital Fund	22,338	1,508	(402)	(770)	607	23,281
Hoffman Law Fellowship	1,921	40	(8)	(68)	54	1,939
Oxford-Univ-Rhodes Graduate Scholarship (2017)	1,583	62	(9)	(56)	59	1,639
Beacon Programme (2022)	-	1,319	-	-	-	1,319
Ivana and Pavel Tykac Fellowship in Czech (2017)	1,022	153	(1)	(25)	4	1,153
44 Other Funds	8,479	583	(30)	(242)	215	9,005
Total Endowment Funds	142,413	5,734	(820)	(3,790)	3,538	147,075
Endowment funds held by subsidiaries	-	-	-	-	-	-
Total Endowment Funds - Group	142,413	5,734	(820)	(3,790)	3,538	147,075
Analysis of Movement on Funds(Continued)						
	At 1 August 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2022 £'000
Restricted Funds						
Univ North Fund (2019)	5,542	5,731	-	-	-	11,273
Geary Hill Fund (1987)	1,672	32	(38)	-	43	1,709
57 Other Funds	3,609	945	(4,206)	3,790	49	4,187
Total Restricted Funds	10,823	6,708	(4,244)	3,790	92	17,169
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	10,823	6,708	4,244	3,790	92	25,657
Unrestricted Funds						
General	3,850	10,702	(11,242)	(690)	1,400	4,020
Revaluation reserve	-	-	-	924	-	924
Fixed Asset Designated Fund	55,930	-	-	(1,613)	-	54,317
Univ North Designated Fund	6,103	-	-	2,195	-	8,298
Major Repair Fund	1,294	-	-	(1,294)	-	-
Master's Stipend Fund	1,210	-	-	-	-	1,210
Overbrook Foundation	1,002	-	-	15	-	1,017
17 Other Funds	2,911	-	-	463	-	3,374
Total Unrestricted Funds	72,300	10,702	(11,242)	-	1,400	73,160
Unrestricted funds held by subsidiaries	-	6	-	-	-	6
Total Unrestricted Funds - Group	72,300	10,708	(11,242)	-	1,400	73,166
Total Funds	225,536	23,150	(16,306)	-	5,030	237,410